



**Neighborhood Revitalization  
& Community Development:  
Best Practices**

**Prepared for:**  
City of Raleigh, North Carolina  
Planning Department  
and  
Southeast Raleigh Assembly

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## Executive Summary

The City of Raleigh Planning Department, on behalf of the Southeast Raleigh Assembly Housing Issues Team, has commissioned this study of housing and community development practices serving distressed neighborhoods in three carefully-selected cities. The goal is to enhance the City's ability to make well-informed decisions about how best to proceed with revitalization efforts in its own distressed communities. The cities chosen - Richmond, Virginia; St. Petersburg, Florida; and Greensboro, North Carolina - share many common elements. They are similar in size and relative position as centers of dynamic metropolitan areas. They share many demographic and economic characteristics and face many of the same challenges regarding their inner city neighborhoods. Each city studied has devised and implemented innovative and strategic revitalization programs. Though each program, like each city, has its own distinct character, there are a number of common elements between their efforts and experiences that can serve as examples of best practices. These practices are outlined briefly below, with a detailed analysis of the revitalization regimen in each city provided in subsequent chapters:

- ❖ **Concentrated Resources on Just a Few Areas.** As cities face dwindling pools of already-scarce federal and state funds, it is counterproductive to further dilute these grants by spreading them across an entire city. The three case study cities carefully selected a small number of priority neighborhoods where assistance was most needed and dedicated funds and energies to only these areas for many years in a row. This maximized return on public investments over the short term and allowed the City to eventually turn its attention to other areas.
- ❖ **Focused on Specific Blocks Within These Target Areas.** Along the same line of reasoning, the cities maximized the impact of public subsidy by concentrating on blocks where the city and its agents could best control the end product. Large parcels, public ownership, concurrent development, etc. increased the likelihood of successfully sparking private investment.
- ❖ **Built the Requisite Consensus and Political Will.** It is often difficult to acknowledge that some areas should receive much more attention than other, perhaps equally deserving areas. The three cities found it imperative that residents, community stakeholders and politicians supported the initiatives and that a key figure in city government was willing to act as a champion and driving force over the course of several years to see the program through to success.
- ❖ **Enabled the Community to Express and Implement its Own Goals.** Capacity building among residents and civic organizations optimized the value of a community planning process while empowering the community to fully articulate its desires and even participate in the identification and implementation of specific investments that the community determined to be vital.
- ❖ **Built Neighborhood Capacity.** Where neighborhood organizations and structures did not exist, these cities pursued deliberate efforts to help create such organizations. Ensuring that each neighborhood had a unified voice was critical to the success of community-based planning and action, providing major benefits in community pride, stability and improved quality of life.
- ❖ **Established Partnerships with Development and Service Providers.** Development authorities, members of the development community, non-profit organizations and community development corporations performed specialized services for the communities. The cities ensured that their insights were gained, and that they agreed with and actively support the city's philosophy and strategies.
- ❖ **It is Not Just About Housing.** Human capital and public facilities are just as important to the viability of a neighborhood as its housing stock. They contribute directly to residents' quality of life. Without this infrastructure (parks, streetscapes, quality schools, homeowner education, etc.), there is little to distinguish urban living from suburban sprawl, which can offer less expensive housing and better proximity to some employment centers. The cities provided incentives for people to choose city neighborhoods over other alternatives.

- ❖ **Leveraged Funds and Create Strategic Partnerships.** The cities used federal and state grants to secure additional funding from local government, non-profits and private financial institutions. This greatly increased the efficacy of redevelopment efforts. They partnered with organizations that could provide funds and/or services beyond what the city could afford to provide.
- ❖ **Presented the Customer (Residents/Developers) With a Seamless Whole.** Disparate incentives and assistance programs were packaged into one (or a few) unified program(s) to present to the community. The cities didn't make the homebuyer worry about whether someone in his or her income category was eligible for federal or state or local grants but simply helped them to understand their options.
- ❖ **Addressed Neighborhood Businesses.** The cities included neighborhood business development in the community development program. Local businesses help to define and support the community. Small business loans and technical assistance helped to maintain neighborhood institutions. Commercial revitalization brings new retail and services to the community.
- ❖ **Tracked Neighborhood Indicators.** The cities measured and reported progress toward achieving neighborhood revitalization and housing goals. One reason for Richmond's success with political support for targeted investment was the clear evidence of neighborhood improvements. The LISC report that tracked those improvements helped to ensure continued support for the Neighborhoods in Bloom program.

## Richmond, Virginia

### City Community Development Policy Overview

The City of Richmond has outlined in its Master Plan a comprehensive set of housing and community development goals and policies. The City uses these guiding principles, which cover a broad range of topics and identify certain specific targets, to implement successful and highly-acclaimed neighborhood revitalization programs. One key tenet of the policy is an acknowledgment of the city's most striking asset: its once-crumbling fabric of historic structures and neighborhoods. The City of Richmond seeks to eliminate substandard housing and underutilized properties without destroying this historic fabric, by encouraging rehabilitation and adaptive reuse of homes and commercial buildings over demolition whenever possible.

Like most of the nation's central cities, Richmond has struggled for decades with the loss of residents, especially middle-income families, to suburban communities and a subsequent concentration of the region's ethnic minorities and low-income households in the inner city. Today, the City employs a multi-pronged strategy to restore economic diversity to these troubled wards, including financial incentives to lure and keep homeowners in City neighborhoods, and encouraging infill development and a range of housing styles, types, and ranges. In particular, the City seeks to attract middle-class homeowners and market-rate renter households, two groups that have been largely absent from much of the city, as part of an aggressive campaign to improve and market city neighborhoods as excellent places to live, invest, grow, and play. Over the next ten years, the City hopes to increase its population by 5,000, through the coordinated improvement of real and perceived conditions in its neighborhoods, and by witnessing the construction/restoration of more than 2,000 new or substantially rehabilitated homes. At the same time, the Richmond Redevelopment and Housing Authority (RRHA) plans to reduce its current stock of 4,500 publicly-owned and managed housing units by 25 percent through programs that help tenants become homeowners.

The most innovative and daring principles that the City utilized in guiding its redevelopment efforts involve processes and implementation. Community participation in the revitalization process is paramount, including input into and influence over the zoning, community facilities, and neighborhood and school policies that affect a neighborhood's character and vitality. More specifically, the City has for the past eight years made a determined effort to focus and coordinate its resources and those of partner organizations on just a few neighborhoods at one time in order to maximize positive impacts over the short term. To ensure broad and lasting support for these efforts, the City seeks to create innovative public-private and interagency partnerships in order to supplement scarce federal, state, and local funds.

## **Highlighted Program: Neighborhoods in Bloom**

The Neighborhoods in Bloom program (NIB) serves as both the foundation and realization of the City's guiding principles. Having received much attention for its innovative structure and approach, and many awards for its successful implementation, this program dominates Richmond's community development efforts and serves as a model for other cities to emulate.

### **Program Origin**

By the late 1990s, it had become increasingly clear that despite the best efforts of City government to combat blight and disinvestment in Richmond neighborhoods, some problem areas worsened, while others remained stagnant. The biggest problem, common to city governments, was a lack of sufficient resources and funding to fix everything at once. The City's CDBG and HOME grants were being spread across dozens of neighborhoods, greatly diluting their impact. In 1999, the Community Development Department, with the support of the City Manager's office and local Community Development Corporations (CDCs), designed and proposed to the City Council a systematic approach that would concentrate the bulk of the City's federal housing funds into a few carefully selected neighborhoods, where focused efforts would have a greater, faster, more visible impact on neighborhood revitalization. Once the community and the private sector saw tangible improvements, it was hoped, the City could leave redevelopment to the newly-emboldened private market, and turn its attention to a new set of priority areas.

Of course, few City Council members would easily embrace such a policy if their own district were not one of the few chosen recipients. The Community Development Department, with the help of the Assistant City Manager, was able to make a strong case for the strategy as the most effective method for helping the entire city over the long term. The commitment to produce results over a short period and then move on to other areas garnered sufficient political and public support for the initiative. The program's positive results have helped City officials to maintain that support. The City is honoring its commitment to begin focused redevelopment in new areas now that several of the original neighborhoods have improved sufficiently to "graduate" from the program.

### **Program Description**

#### ***Program Goals***

Neighborhoods in Bloom (NIB) is a coordinated effort to generate real and visible improvements in the target neighborhoods. City officials hope to stabilize neighborhoods that suffer from physical deterioration and abandonment, real and perceived public safety threats, and a lack of investment. Through coordinated and focused application of public funds, key redevelopment projects as well as broader rehabilitation will raise property values in the neighborhood. The premise is that once sale values rise high enough to justify acquisition and construction costs, and sufficient "buzz" is generated over the neighborhood's renaissance, private-sector developers and investors will step in

and redevelop other properties nearby without public subsidy. At this point, the City can scale back its funding of neighborhood development and let citizens and the market continue improvements on their own, while the City maintains the existing infrastructure, historic fabric, affordable housing, and a dialogue between residents, businesses, and government.

### ***Program Strategies***

The City employs a number of different strategies to ensure that these goals are met within a reasonably short timeframe. Foremost, and perhaps the most innovative, is the concentration of nearly 80 percent (more than \$7.8 million annually) of the City's federal Community Development Block Grant (CDBG) and HOME Investment Partnership entitlements from HUD, as well as local funds and community development attention, on six carefully-selected neighborhoods. This maximizes the potential impact of the limited pool of funds. Under prior systems, each neighborhood received just a modest portion of the City's total CDBG and HOME dollars. By concentrating on a few neighborhoods, however, NIB target areas saw the total public and non-profit funds expended within their border increase by as much as 400 percent after the program's inception.

Another key strategy is the coordination of efforts between City and other government agencies and multiple non-profit and private partners. While the largest funding source utilized by NIB remains the City's CDBG and HOME allotment, the City supplements this with targeted allocations from its own capital improvements budget (roughly \$750,000 annually) to enhance community amenities and development efforts. NIB has also leveraged millions of dollars in federal and state tax credits, grants, loan and mortgage financing, and technical assistance provided by partners including the Richmond office of the Local Initiatives Support Corporation (LISC), local CDCs, non-profit organizations, and financial institutions. Coordinated efforts by other City departments, including aggressive code enforcement, neighborhood watch programs, community policing and public safety "blitzes" address multiple factors affecting neighborhood investment.

The City channels CDBG and HOME funds to RRHA and one or more CDCs in each of the NIB target neighborhoods to support specific programs, including housing repair loans and grants for existing homeowners, neighborhood capacity building and community development, homebuyer preparation and home maintenance counseling, as well as property acquisition and construction or rehabilitation of vacant or abandoned units. The City focuses its funding of CDC housing developments on closing the "development gap" or the difference between the cost to build or rehabilitate a unit and the actual sale price of that unit.

### ***Target Areas/Population***

Through a difficult and extensive consensus-building process, the City identified the criteria by which neighborhoods would be selected for participation in the program. Analysis of detailed

economic and demographic data helped clearly identify which neighborhoods badly needed attention and which suffered more superficial ills. From this list, the City chose six neighborhoods that, with the infusion of funding and support services, could develop a sufficient infrastructure that would attract substantial private investment in the near future. One important factor in this consideration was the presence and input of active neighborhood and business associations. The six neighborhoods initially approved for the program were Blackwell, Carver/Newtowne-West, Church Hill Central, Highland Park Southern Tip, Jackson Ward, and Southern Barton Heights. These neighborhoods, all near the recently-improving central business district, were characterized by low rates of homeownership (roughly 25 percent), many vacant properties and empty lots where the City had demolished abandoned buildings, rampant building code violations, some of the highest crime rates in the city (including 11 drug hot spots), and consequently low property values.

Each neighborhood in turn contains a target area, six to twelve blocks in size, where the redevelopment projects will be located, the cumulative effects maximized by co-location. These “impact blocks” are tactically selected, and contain a combination of significant or highly-visible properties, large parcels, vacant or boarded homes, and/or vacant lots. For example, as the first NIB neighborhoods were being identified, the City was moving forward with an expansion of its convention center, which would push up against the boundaries of Jackson Ward. The impact blocks chosen for Jackson Ward’s NIB efforts adjoined this expansion, and could most readily build upon development already underway. Civic associations provide key input into the shape and selection of these impact blocks. Their knowledge of individual properties is invaluable to City administrators. Program activities focus mainly on assisting low- and moderate-income renters to achieve homeownership in clean, safe, suitable housing. Other incentives help existing homeowners repair and maintain their residences and thus remain connected to the neighborhood and its revival.

## **Program Offerings**

### ***Construction and Infrastructure***

The City invests in a variety of complementary programs and projects as part of the NIB strategy. Allocations made from the City’s general revenues fund capital improvement projects in impact areas and the surrounding target neighborhoods, including new sidewalks, streetlights, curb and gutter replacement, tree planting, and playground improvements. The City channels CDBG and HOME funds into the neighborhoods through RRHA and the CDCs to acquire properties, construct new homes, and rehabilitate abandoned ones. These newly-available units are targeted to first-time homebuyers, as part of the City’s goal to raise homeownership rates. Because CDBG and HOME funds were utilized to deliver these units, they must be sold to low- and moderate-income households, typically earning at or below 80 percent of the Area Median Family Income (AMI).



Through the conduit of RRHA and local CDCs, these funds are also used to provide assistance for neighborhood renters to make the transition to homeowners.

### ***First-Time Homebuyers***

One of the City's community development policies is to assist low- and moderate-income renters transition into homeownership. To begin this process, local CDCs provide professional counselors to consult individual potential homeowners on how to restore and build their credit and prepare to purchase a home. Case managers help low-income residents find jobs, set up savings accounts, manage their finances and qualify for mortgages. Eligible program participants have access to forgivable loans of up to \$10,000 for assistance with down payment and closing costs. The loans will be forgiven gradually over a period of five years, throughout which the homeowner must remain living in the unit. If the home is vacated before the end of the five year period, the remainder of the loan (the portion not yet forgiven) will be recaptured.

Counselors from the CDCs work with potential homeowners to locate suitable units, either being constructed or rehabbed by the CDC or RRHA, or being offered for sale after seizure for non-payment of taxes through the Richmond Department of Real Estate Services (RES). Homeownership counselors also connect applicants with one of many available conventional, below-market rate, or flexible-term mortgage financing options funded by state and/or federal entities such as the Virginia Housing Development Authority (VHDA), the Department of Veterans Affairs (VA), HUD or the Federal Housing Administration (FHA). While these mortgage programs are by no means unique to NIB, neighborhood residents, especially those of modest means, can benefit significantly from assistance and guidance with the entire process, rather than having to seek out the many disparate programs and background knowledge from largely unconnected agencies and organizations. Post-purchase homeownership and home maintenance courses are provided by local CDCs, with assistance from Virginia Commonwealth University, as both a requirement and benefit of purchasing a home with the help of an NIB partner organization.

### ***Existing Homeowners and Property Owners***

The City strives to keep current homeowners actively engaged in the revitalization of their neighborhood. Various rehabilitation and home repair loans are administered by CDCs using CDBG and HOME funds for low- and moderate-income households, and a variety of other federal, state, and private grants targeted to various populations (e.g., elderly residents, people with disabilities, minority homeowners, people with AIDS, etc.). Some of these loans are quite flexible. For example, one CDC administers a Low Payment Improvement loan, available in amounts up to \$6,000 to low- or moderate-income residents of NIB neighborhoods and repaid at a flat rate of \$25 per month for up to 30 years. For more extensive rehabilitation, a similar loan is available to the same pool of residents in amounts up to \$30,000, fixed at a five-percent interest rate and payable over a flexible term of up to 30 years. With both of these loan programs, the CDC

provides the applicant with qualified contractor and/or construction management services.

For neighborhood homeowners and investors that do not qualify for income-restricted incentives supported by HOME, CDBG, and other funds, the City takes advantage of several tax incentives to encourage the development of mixed-income neighborhoods. The City's Real Estate Tax Abatement program offers tax relief for owner-occupied structures that are substantially rehabilitated or replaced entirely. The homeowner is exempted from the increase in taxes directly related to the new, higher assessed value of the property after the renovation. This exemption lasts for 10 to 15 years, depending on property value and income criteria, but the credit is available to homeowners of any income level. The City also implements a Tax Lien Release Program, whereby any applicant whose property is valued at less than \$50,000, will be forgiven the portion of any tax lien in excess of 25 percent of the property value. Furthermore, the City will forgive 100 percent of any tax lien on a property if it is donated to one of the City's designated housing developers (RRHA or one of the local CDCs), or to a qualified non-profit organization. These programs encourage rehabilitation and development to continue without direct City investment and remove a City-controlled barrier to redevelopment (i.e., a tax lien).

Most of the homes and many commercial structures in NIB target neighborhoods are historic and are specifically mentioned in the City's master plan as an asset that must be preserved. The City does not provide funds specifically for historic preservation work. However, since the NIB program began, City staff succeeded in listing five of the six participant neighborhoods as both Virginia Landmark and National Register Historic Districts. This makes qualified rehabilitation of historic buildings eligible for federal tax credits equal to 20 percent of the cost of renovation, and state credits of 25 percent of cost. While the federal tax credits can only be used for income-producing properties, both commercial properties and owner-occupied dwellings are eligible under the state program, which can be combined with federal credits for qualifying properties.

### *Business Owners*

To address neighborhood-serving small businesses, the City established a Neighborhoods in Bloom Revolving Loan Fund. To be eligible, a business must be located within an NIB target neighborhood and the funds must be used for activities that create jobs, reduce blight, or provide needed services to low- and moderate-income residents in the area. These small, flexible loans are available in amounts up to \$20,000 and can be used for machinery and equipment purchases, property acquisition and rehabilitation, and even working capital. To provide more extensive support for larger projects, NIB partners with the Richmond Department of Economic Development to make Community Area Revitalization Effort (CARE) loans available to businesses in NIB neighborhoods. The loans can be used to pay for the purchase, renovation and outfitting of commercial buildings as well as related technical assistance. Fifteen-year loans can be secured up

to \$125,000, fixed at three-percent interest for the life of the loan. Larger amounts are available at the same three-percent rate for the first 10 years, after which the loan reverts to market rates.

## **Program Implementation**

### ***Process***

The City channels CDBG and HOME funds to its development partners, RRHA and local CDCs to construct or rehabilitate housing units. Some of this funding will be utilized to acquire one or more properties and for demolition work when necessary. This work is performed and an agreement reached with the City once leveraged funds have been sought and obtained, based upon project finances estimated in a pro-forma financial analysis. The City will cover the “development gap” or shortfall between the sale price of a unit and the development cost with the City generally paying 8 to 12 percent of construction costs once the project is sold.

For example, in Southern Barton Heights, the City teamed with RRHA to redevelop roughly five city blocks (the “impact area”). The City allocated some CDBG funds to RRHA to acquire the properties in question, including two apartment buildings that were the focus of most of the crime and quality-of-life issues in the immediate neighborhood. The City and RRHA used other funds (HUD-subsidized public housing, Housing Choice Vouchers, etc.) to assist the few remaining residents of the apartments to relocate. Historic homes were preserved, while the apartments, which were newer but in poor condition, as well as several unsalvageable homes were demolished. The City combined the parcels and subdivided the property, and RRHA is now delivering 32 new single-family homes, selling in the \$190,000 to \$200,000 range.

Trying to avoid the use of eminent domain, the City and its development agents typically purchase properties for redevelopment. However, tax-delinquent properties can sometimes be acquired through the courts and utilized as well. Though not a favorite practice, the City has been able to use tax foreclosure successfully and hopes to slowly increase its capacity to do so in the future. The process of seizing a tax-delinquent property is lengthy, due to a combination of murky title histories, unknown heirs and Virginia laws that heavily favor property rights. It generally takes 12 to 18 months for a property to clear the courts and be turned over to the City, but the process can last for two years. The City worked with the Virginia General Assembly to provide some relief, however. State legislators were made to realize how many small, decrepit homes and vacant lots under City-demolished homes bore tax liens that exceeded the value of the property itself.

New State legislation allows the City to quickly seize any property that is smaller than 4,000 square feet and which bears a tax lien that exceeds 50 percent of the property’s value. The City will forgive its own tax lien, and properties can then be turned over to RRHA or a CDC for one dollar to contribute to redevelopment. Increasingly, these properties (when not in an impact block) are

sold at auction through the RES City Sells program to private individuals and developers. RES can provide eligible homebuyers with counseling on how to obtain an NIB-related grant or loan as well as assistance with applications for market and below-market rate mortgages, including federal VA and FHA programs.

### ***Partnerships/Community Interface***

The success of Neighborhoods in Bloom is due in large part to the many strategic partnerships and community connections the program is built around. The coordinated effort to revitalize neighborhoods begins with interagency and intergovernmental cooperation. City departments ranging from Community Development to Code Enforcement, Police, and Public Works each play significant roles in implementing programs at the neighborhood level. The Police Department conducts “Blitz to Bloom” sweeps of crime hot spots and works closely with community members on neighborhood watch programs. The City receives support from housing and community development agencies at the state level, including the Virginia Housing Development Authority and the Virginia Community Development Department. Virginia Commonwealth University provides accredited capacity-building training for community residents and community development partners.

The nearly 150 civic associations in Richmond facilitate close interaction between government and residents and business owners. They assist with the dissemination of City intentions and voicing of community desires as well as providing avenues for the continuous two-way flow of input and feedback on the progress of redevelopment projects. Neighborhood associations and local CDCs actively participate in the selection of target neighborhoods and impact blocks and the determination of what infrastructure investments the City should make in the target area. In conducting the physical construction and rehabilitation of housing and property management, RRHA and local CDCs are vital partners in program implementation. They also administer mortgage financing, down payment assistance, and home repair loan programs. Several CDCs provide further services including child care facilities, emergency transitional housing, and youth, senior, and community outreach. LISC’s Richmond office and several large financial institutions have lent much needed underwriting and funding support, and LISC has also provided planning and technical support for various initiatives, targeting its own efforts towards the NIB-designated areas.

### ***Follow-Through***

For each neighborhood participating in NIB, the City’s Community Development staff continually collects and analyzes various data relating to crime, vacancy rates, neighborhood investments, and demographics to assess the progress of the program. More importantly, City staff meet regularly with civic association leaders and neighborhood residents through the Neighborhood Team Process to gain insight into the progress of neighborhood revitalization where problems have not been

addressed and where new problems have occurred, particularly as they relate to individual construction projects, problem properties and crime hot spots.

As redevelopment of declining neighborhoods proceeds, these same areas become more attractive to investors and more affluent households. This is in part a goal of the redevelopment effort. However, once the private development market strengthens, lower-income residents, especially renters and elderly citizens, can become priced-out of their own, newly-rejuvenated neighborhood. The City is aware of this trend elsewhere, often referred to as “gentrification,” and monitors conditions in NIB neighborhoods closely to ensure that the goal of mixed-income communities is met. To date, however, NIB target areas have not gentrified to the point of forcing out many existing residents. City staff members identify several reasons for this.

Use of CDBG and HOME funds necessitates that units be designated for low- and moderate-income households. The City supported development of homeownership properties almost exclusively in hope of stabilizing residents’ finances and ultimately the neighborhoods themselves. These down payment, closing cost, and mortgage assistance programs carry stipulations that those receiving the award remain in that home, typically for a period of five years, before they can sell the home. These stipulations have reduced turnover. Furthermore, NIB neighborhoods were able to absorb many new households with minimal displacement of existing residents due to several factors. First, low homeownership rates (25 percent) in these neighborhoods meant that a sizable rental stock still existed after new development. Since the program focuses primarily on homeownership, the neighborhood rental market (which still constitutes half of all units) is largely unstressed. Secondly, the City’s encouragement of rehabilitation of existing homes over demolition, if at all possible, served to retain existing units and density. Finally, more than 40 percent of the existing housing stock was vacant in NIB neighborhoods at the program’s inception. Higher-income households moving into neighborhoods like Jackson Ward or Southern Barton Heights, where conditions improved markedly, generally are renovating or purchasing rehabilitated units that were vacant before the program began.

Inevitably, some renters feel pressured by rising prices in the neighborhood. The City employs two housing counselors, one of whom is assigned only to NIB neighborhoods, to identify (with the help of neighborhood associations) and assist individuals who are threatened with displacement. The counselors handle five cases per year, on average, and most cases involve single, elderly renters. Many of these people found replacement housing in subsidized senior homes developed by CDCs nearby. In addition, the City established a property tax abatement program specifically for senior citizen homeowners facing rising property values due to redevelopment.

## Funding

The City draws upon multiple resources to fund NIB-related projects and programs. The lion's share of this funding comes from the City's CDBG and HOME entitlements, granted annually by HUD. The combined sum of these entitlements is roughly \$10 million annually, of which nearly 80 percent is dedicated to NIB initiatives. For example, in fiscal year 2005-2006, 70 percent (or \$5,027,000) of the City's total CDBG funds of \$7,170,000 were dedicated to NIB, while all of the City's \$2,846,000 in HOME funds were allocated for NIB projects. These funds are typically channeled through CDCs and RRHA for the acquisition, construction, and/or rehabilitation of housing units, funding homebuyer assistance programs and providing support for associated community amenities. Not all CDBG funds are used in this manner, however. Some funding has been allocated to the City's Department of Economic Development to support the NIB Revolving Loan Fund Program and the CARE Loan program, outlined above. While federal dollars were utilized for loans to eligible businesses, staff support from the Economic Development Department needed to facilitate the 12 or so loans processed annually is funded from the City's general revenue funds.

One of the most important aspects of implementing NIB is the leveraging of these federal dollars by the City to increase their potential impact. One way the City has done this is by supporting NIB efforts with its own general revenue funds. This can be directly-related, such as the facilitation of CDBG-funded loans, or through direct investment in neighborhood infrastructure and other projects without federal aid. The City allocates roughly \$750,000 of its annual capital improvements budget to streetscape, sidewalk, and other infrastructure projects in NIB impact areas and the surrounding NIB-selected neighborhoods. These investments in NIB areas total nearly \$3.5 million over the life of the program so far. Though costs vary considerably from one project to the next and depend upon the amount of leveraged funds utilized (particularly for LISC-sponsored projects), projects costs range from \$45,000 to \$86,000 in City-supplied CDBG or HOME funds for a substantially rehabilitated housing unit and \$68,000 to \$116,000 for a newly-constructed one.

The City also actively pursues additional sources of revenue in order to supplement its own investments. In the past fiscal year alone, the City leveraged more than \$24 million of private, state, and other federal funds to support NIB initiatives. The Richmond office of LISC is a major partner in NIB, providing well over \$5 million in grants, loan underwriting, and technical assistance to projects in NIB neighborhoods since the program's inception. Local financial institutions also play a key role, by making loans to residents and by providing education and assistance to elderly and low- to moderate-income residents about the application and home buying process. These efforts magnify the impact of CDC-sponsored home purchase assistance programs. The City sets in its annual plan a goal of matching CDBG funds at a ratio of 3 to 1, despite the absence of HUD-imposed matching requirements. HOME funds are typically leveraged at an even

higher ratio, with the City securing more than \$16 million in matching bank funds and in-kind contributions (against \$2.8 million in HOME entitlements) over the past year. Figure 1 provides several examples of financing packages put together by the City to generate new or substantially rehabilitated units. Though these examples are far from representative of all the programs activities pursued under NIB, they illustrate ways in which the City leverages federal grant dollars.

<b>Figure 1: Examples of NIB Project Financing</b>							
<b>Activity</b>	<b>Agent</b>	<b>Funding Source</b>	<b>Amount</b>	<b>Activity</b>	<b>Agent</b>	<b>Funding Source</b>	<b>Amount</b>
<b>Example 1: One Unit of Rehabilitated Housing</b>				<b>Example 3: One Unit of New Housing</b>			
Acquisition	RRHA	CDBG	\$27,500	Acquisition	RRHA	CDBG	\$16,000
Disposition	RRHA	CDBG	\$4,000	Demolition	RRHA	CDBG	\$5,000
Rehabilitation	Local CDC	Owner	\$1,000	Construction	RRHA	Private Loan	\$95,000
	Local CDC	CDBG	\$55,000				
	Local CDC	Private Loan	\$102,896				
<i>Total</i>			\$190,396	<i>Total</i>			\$116,000
<i>Public Subsidy</i>			\$86,500	<i>Public Subsidy</i>			\$116,000
<b>Example 2: One Unit of Rehabilitated Housing</b>				<b>Example 4: One Unit of New Housing</b>			
Acquisition	RRHA	CDBG	\$1	Acquisition	Local CDC	CDBG	\$5,000
Rehabilitation	Local CDC	LISC	\$25,000	Construction	Local CDC	CDBG	\$15,000
	Local CDC	Private Loan	\$65,000		Local CDC	LISC	\$36,000
	Local CDC	HOME	\$45,719		Local CDC	Private Loan	\$48,000
					Local CDC	HOME	\$25,000
<i>Total</i>			\$135,720	Homeowner Assist.	Local CDC	HOME	\$3,000
<i>Public Subsidy</i>			\$45,720	<i>Total</i>			\$132,000
				<i>Public Subsidy</i>			\$48,000

## Results

By many measures, conditions in the target neighborhoods improved markedly since the inception of Neighborhoods in Bloom. Crime rates in NIB neighborhoods began to drop soon after NIB blitzes started. Within the first three years of the program, violent and property crimes dropped 19 percent in the target neighborhoods, compared to a six-percent decline in the city overall. In terms of housing production, more than 600 new or substantially rehabilitated (and formerly vacant) homes have been sold or are under development in the NIB neighborhoods. Another 625 occupied units have undergone significant repairs. City code enforcement officials inspect more than 400 units in NIB neighborhoods each year, and nearly 2,800 properties have been repaired to meet building code since the program began. The City's efforts to assist renters in purchasing their first homes provided homebuyer education through NIB to 75 to 100 households each year, while counseling an additional 2,400 households annually on general housing practices, policies, maintenance, finances and other housing-related topics.

In the first year or two after NIB began, there were many projects and rehabilitations initiated, but few resulted in property value changes. Once more units came on line, however, and whole blocks had been revitalized, sale prices rose significantly. A study conducted by the Richmond branches of the Federal Reserve Bank and LISC determined that over the five years since NIB

implementation began, housing prices in target neighborhoods appreciated 10 percent faster than the citywide average appreciation rate.<sup>1</sup> This has direct implications for the City's diminished tax base: aggregate assessed values in the target neighborhoods increased between 44 and 63 percent over the same time span. There also seems to be a spillover effect into adjoining areas, indicated by the fact that non-NIB neighborhoods within one-mile of NIB projects saw their home sales prices appreciate five percent faster than the citywide average.

It is important to note that there seems to be a threshold level of investment which must be reached before these impacts occur. The Federal Reserve/LISC report determined that the most significant gains were made on blocks where the City invested at least \$20,000 of its own funds and/or its CDBG/HOME funds. When this level of investment was reached on a single block (meaning one census block, as opposed to one block face), home prices rose rapidly by 50 percent, while after this point prices increased at a relatively steady 10 percent per year.

## Future Outlook

The prospects for NIB neighborhoods and for the program itself appear much brighter than they did less than a decade ago. In two neighborhoods, property values increased to the point where sale prices have climbed well above development costs, and City subsidy is no longer required. Private market forces have taken over, and many vacant homes are being rehabilitated or replaced by private investors and sold to middle-income buyers. In Southern Barton Heights and the lower section of Jackson Ward, homes are now typically sold before the rehabilitation is complete. Improvements in economic indicators tracked by the City prompted a transition out of these two neighborhoods and into two more. With surplus funds from the past fiscal year, NIB will begin work on two new neighborhoods in July 2007. Both of these new target areas are on Richmond's south side, an area that had been largely passed over in the first round of NIB. However, both neighborhoods had been considered viable potential targets during the selection of the original six and were selected for this second round with the assistance of the members of Richmond's Community Development Association. The City is also working with CDCs on ways for them to obtain additional funding from sources other than the City, be it from competitive state or federal grants, foundational initiatives, or other private sector contributions.

## Lessons Learned

The basic premise of Neighborhoods in Bloom has proven sound. When resources are so constrained, as they are for most central cities, the concentration of funds and attention on just a few, carefully-selected areas can magnify impacts to the point where private citizens and investors

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<sup>1</sup> John Accordino, George Galster, and Peter Tatian. *The Impacts of Targeted Public and Nonprofit Investment on Neighborhood Development: Research Based on Richmond, Virginia's Neighborhoods In Bloom Program*. Community Affairs Office of the Federal Reserve Bank of Richmond and Richmond Local Initiatives Support Corporation, July 2005.



will be confronted with visible changes in neighborhood vitality and will pick up the slack in terms of housing and economic development. It is also important to invest in other strategic initiatives besides housing construction and renovation. Home-purchase and financial education assisted many households that likely would not have participated in the revitalization of their neighborhood otherwise. Key infrastructure investments demonstrated that the City was willing to provide improved amenities for the entire community and not only for those in new houses.

It is also important, as the City discerned once NIB projects began, to learn the rhythm of development in the context of a particular neighborhood and its conditions, in order to better determine a realistic timeframe for completion. This will help coordinate infrastructure investments to be made at suitable points, rather than too early. For example, if several homes on a block are scheduled for demolition and replacement, especially by denser, infill projects, it would be wise to wait to invest in sidewalk repair until after the utility companies have finished ripping up the old sidewalk, curb, and gutter. In this regard and many others, partnerships are an important component of NIB. Developing housing with long-standing partners, in this case RRHA and the local CDCs, gives the City and its partners the opportunity to benefit from past experience and knowledge of one another. Often-complicated title transfers, tax sales and development schedules can be accommodated more smoothly, despite the risks and challenges of working in declining neighborhoods. These relationships and the results they produce also help recruit the support of the financial community.

The process of NIB is another key to its success. The City implemented a Neighborhoods Team Process in its planning endeavors beginning in 1988, and these teams of residents and civic associations were actively engaged in regular discussions with City staff regarding planning and community development for 10 years before NIB began. This consensus-building structure already in place is a key reason that NIB could be implemented at all. The City's partners and other stakeholders had all seen the lackluster results of previous investment strategies and were both willing to accept a radical departure from prior practice and urge City Council to support the initiative, as well. Community members were willing to do so largely because they became comfortable working with other participants in the Neighborhood Team Process. The individuals involved in the new NIB program would not be "outside" developers or faceless agencies that had no relationship with the community. That said, it also takes significant political will to undertake such an approach, and the support from City Council and the City Manager's office were both instrumental and indispensable in the projects' success.

## St. Petersburg, Florida

### City Community Development Policy Overview

The City of St. Petersburg has defined many housing and community development goals in its Consolidated Plan and other supportive documents, such as affordable housing studies. Narrowly-defined goals include the provision of affordable rental housing, particularly for those households earning below 60 percent of AMI. At the same time, the City is determined to decrease its property management and rental subsidy burden by assisting renters in achieving homeownership. This policy focuses the most attention on those renters living in publicly-owned and manufactured housing. The renovation of existing owner-occupied homes, especially for the most at-risk low- and moderate-income households, is imperative to sustain and increase current homeownership levels. The City has also drafted plans and begun implementation of permanent supportive housing for the homeless and special needs populations.

There is more to community development than housing, however, and the City manages neighborhood revitalization accordingly. Funds are invested strategically to make a significant impact. For St. Petersburg, much of the redevelopment resources and energies of the past two mayoral administrations focused on the most distressed part of the city – the Midtown neighborhoods which double as the City’s HUD-approved Neighborhood Revitalization Strategy Area. Expansion of business and employment opportunities for the low- and moderate-income residents that live in Midtown has been another redevelopment goal. A related strategy for both neighborhood and business development is the improvement of infrastructure and public facilities serving the Midtown area.

There have been two unifying themes across the past two administrations in St. Petersburg that contributed to a clear and consistent vision of what community revitalization means. The first is service-oriented government. Healthy neighborhoods should contain all the things that residents need and desire. To determine what these desires are and ensure that they are met, the community should be empowered and involved as much as possible in planning and implementing neighborhood investments. St. Petersburg provides more avenues for this sort of interaction than do many cities.

The other guiding vision is one of a “seamless community,” where a journey from one neighborhood to the next does not bombard the viewer with marks of differential treatment along class lines. All neighborhoods should have access to the same caliber of amenities and public services and to the same tools to keep homes and civic spaces in excellent condition.

## Highlighted Programs

Unlike Richmond, the City of St. Petersburg does not organize and package most of its community development efforts under a single program. The multiple programs employed, however, are guided by principles and understandings that are quite similar to those that steer Richmond's revitalization efforts. St. Petersburg employs several specific programs that will be outlined below and made many separate investments that are very similar in concept and effect but have instructive differences in their structure.

## Program Origins

More than a decade ago, at the urging of community activists, the City administration under then-Mayor David Fisher first laid out the vision of a seamless community, free from the blight, crime, and disinvestment that had laid waste to so much of the city. Part of the problem, it was realized, was a lack of community cohesion and identity. Without a sense of community, no neighborhood was going to turn itself around once it was crumbling. The City began, quite literally, fostering community. Few citizens identified themselves as residents of a particular neighborhood, and many sections of the city lacked active and capable community leadership. A process of capacity building, with the help of local non-profits and educational institutions, led from a city that in late 1980s had no civic organizations to the situation today where 113 neighborhood and business associations, representing all parts of St. Petersburg, actively participate in determining the future of their community. This process has been spearheaded by the City's Neighborhood Partnership Department, which is directed by a Deputy Mayor for Neighborhood Services, and facilitated by the trained Public Service Representatives of the Community Response Division. Regular meetings and dialogue with civic associations provide a sounding board for City initiatives and a consensus-building framework for implementation. In this climate and public forum the City launched a number of successful programs.

## Program Descriptions

The City of St. Petersburg has developed several notable housing and community development programs as well as making a number of well-planned investments that complement this structure and buoy the neighborhood revitalization effort. Specific programs outlined below include Working to Improve our Neighborhoods (WIN), Police-in-Neighborhoods (PIN), A+ Housing for Teachers, and projects sponsored by the Neighborhood Partnership Department and its Matching Grant Program.

***Program Goals***

Each of these programs addresses one or several components of the City's housing policy and its guiding principles. Programs such as WIN address the broad goals of facilitating the transition to homeownership, improving the quality of the housing stock, making housing more affordable to low-income households, and retaining current neighborhood residents. Other programs, like PIN and A+ Housing, address the more specific need of suitable, affordable housing for members of the City's indispensable workforce – in this case, police officers and teachers. The Neighborhood Partnership Department and its programs meanwhile serve to empower residents to plan and implement self-determined priorities such as public facilities and neighborhood amenities.

***Strategies***

The City employs a number of different strategies in an effort to maximize the impact of its investments. Concentrating its funding on a few neighborhoods is one method. In recent years, most investments were made in neighborhoods around the Midtown area. The City also identifies specific blocks, each of which contains several of the 700 identified "priority properties" that have been the center of many crime and blight problems for so long. City staff works closely with the community and then targets investments towards what residents would like to see in their neighborhood: a grocery store, a post office, services, etc. An approach that integrates investment, public safety and code enforcement strategies has helped combat blight in even the most distressed corners of Midtown.

Working one block at a time, aggressive code enforcement has more than doubled the number of citations issued. The City's N-Team then works with residents or property owners to repair the building to meet the code. If this fails, the City works with insurance agents, mortgage brokers and the courts (through code enforcement liens) to deal with the most recalcitrant landlords. Residents and neighborhood associations meet with City officials and members of the code enforcement team and police department to identify the priority properties in their neighborhood.

To address public safety concerns, the City changed its policing strategy. Individual officers worked and became involved in a neighborhood where they had some stake or bond and spent much of their time in that small area, similar to the classic "beat cop" model. They learned about the community, and thus its assets and threats, much better than would have been possible while responding to problems across an entire precinct. Officers work closely with residents and civic associations to establish neighborhood watch and community policing programs. Awareness and enforcement efforts have targeted predatory lending and contracting practices in low-income neighborhoods. To support this increased police presence, the City sought and received a three-year federal grant to fund additional officers on patrol. When the grant expired, the mayor's office worked the additional officers into the general fund budget, so neighborhoods would not suffer a loss of protection.

***Target Areas/Population***

Each program has its own focus. The City has targeted much of its infrastructure spending towards Midtown area, inducing development of the Dome Industrial Park, many parks and recreation centers, and the new Business Assistance Center. Housing construction funded by the City and CDCs targets low-income and/or special needs residents. Other programs such as WIN, PIN, and A+ Housing operate city-wide. WIN grants and loans are most generous for low- and moderate-income households, but certain incentives are still available to those earning 150 percent of AMI. On the other hand, PIN and A+ Housing are not income dependent, but instead target specific employees for whom the City wishes to ensure the availability of affordable housing.

**Program Offerings**

The WIN program offers a number of different incentives to encourage the purchase and/or rehabilitation of inner city housing units. WIN provides loans for downpayment and closing cost assistance, available at either zero-percent interest over 10 years, or a deferred loan over the first five years, which is then forgiven gradually over the next five. The City has patched together funds from multiple sources to make the loans available for any household earning less than 150 percent of AMI. Lower-income applicants are eligible for more favorable loan terms and higher maximum loan amounts, up to \$15,000. The purchaser must demonstrate sufficient creditworthiness and supply a two-percent downpayment from his or her own funds. As both a benefit and a requirement of this loan program, participants must attend home buyer education and financial fitness courses prior to the purchase, and home maintenance classes soon after the closing of the mortgage.

For existing low- and moderate-income homeowners, the WIN program offers home repair loans in several categories. Owner-occupants of single-family (non-condo) residences can qualify for zero-percent interest over 20 years or a loan that is forgiven gradually over a 10-year term. Emergency Repair Loans can be used to fix roof, electrical, and plumbing problems that pose a significant risk to occupant safety and health. A homeowner may apply for one of these loans once every 10 years. General Home Repair Loans are designated to help owners make less urgent repairs to correct code violations and health or safety issues. The home must meet the City's Property Maintenance Standards when complete, and loans are available to a homeowner only once. The N-team maintains statistics by neighborhood on code-violating properties and their repair status. The program also encompasses Lead Paint Removal Loans and Barrier Free Loans intended to assist disabled residents to retrofit their homes for wheelchair accessibility, etc.

The PIN and A + Housing for Teachers programs provide favorable loan terms for these valuable City employees to assist in the purchase or renovation of a home. Loans are provided at zero-

percent interest over a seven-year term and are gradually forgiven over the course of the seven years. Only active employees may apply, and termination or resignation before the end of the seven-year term results in the recapture of the remaining portion of the loan. If the officer or teacher retires during this span, the balance of the loan will be amortized with monthly payments set at an interest rate equal to that of the homeowner's primary mortgage loan, or the lowest 30-year rate currently being offered in the St. Petersburg market area.

Neighborhood Partnership is instrumental to the entire redevelopment effort. As a neighborhood plan is drafted during a community workshop process, residents and stakeholders help City staff determine priority funding initiatives. While this process is standard practice in many cities, St. Petersburg gives community members uncommon authority in determining the form that redevelopment takes in their neighborhood. Once the neighborhood plan has been completed, the City awards \$100,000 to designated civic association(s) to immediately begin implementing the priorities laid out by residents and business owners in the plan.

Additionally, Neighborhood Partnership sponsors a Matching Grant Program that gives residents similar discretion over their neighborhood's public facilities. Grants are awarded on a competitive basis to civic associations, organizations or groups of residents for "specific improvement projects and strategic plans that build relationships and improve the community." Eligible projects must be located on publicly-owned land or right-of-way and fall into one of the following categories: decorative lighting; general improvements; neighborhood plans; playgrounds; public art; or youth-initiated projects. Grants are awarded up to \$25,000 for all categories except for playgrounds, which can receive up to \$35,000. The project must provide a "clear public benefit" and cannot be something for which the City already has a specialized budget allocation, such as sidewalk improvements or streetscaping (which are covered under the neighborhood plan and grant). In order to qualify, the applicants must demonstrate matching funds that equal at least 50 percent (35 percent for playgrounds) of the proposed project budget. Matching funds may include cash, volunteer labor (valued at \$15 per hour), donated materials and/or professional services, or maintenance.

## **Program Implementation**

WIN home purchase assistance loans are administered through partner lenders that have teamed with the City; applicants can complete the entire process through any of these banks. The home repair loans require more City involvement. Applicants must attend a program orientation seminar, and a City Rehabilitation Officer must visit the home to help determine the scope of work. The officer will also assist the homeowner with putting the work to bid and selecting a contractor. The homeowner must then sign a note and mortgage for the loan, which is closed by a Housing Finance Officer, who later approves construction draws as the work is completed. PIN and A+ Housing

Loans operate in much the same way with the exception that a housing officer is not required to visit the home. Instead a written cost estimate from a licensed contractor will suffice.

The Neighborhood Partnership Matching Grant application requires a minimum of three vendor quotes with the cost estimate. The applicants must demonstrate the support of all affected property and business owners and residents (for physical projects), outline an implementation schedule with a maximum length of 12 months, and guarantee ongoing maintenance of the project, if any is required. The City will only continue to perform the current level of maintenance. A Grant Review Team then assesses the application and, if found to be satisfactory, recommends to City Council that the appropriate funds be allocated. Neighborhood Partnership staff then monitors the project and pays the vendors directly. In this way, community members can directly control the development of public facilities in their neighborhood, and residents are made to consider all of the practical necessities that the City must weigh when funding infrastructure projects. It is a way to build relationships and understanding between residents and government as well as to beautify neighborhoods.

### ***Tracking Neighborhood Improvement***

The City continually measures various social and economic characteristics of its neighborhoods in order to “take the pulse” of the community there and monitor the progress (or shortcomings) of revitalization efforts. The City’s Neighborhood Services Department analyzes data from many different sources for each neighborhood. But these neighborhood indicators receive particularly close attention in Midtown, the City’s HUD-approved NRSA and the focus of the largest revitalization efforts. Indicators include poverty rates, unemployment, household income trends and relative concentrations of very-low-income or minority households. Neighborhood Services continually receives crime data from the police department. The N-Team canvasses neighborhoods to encourage and assist property owners in the remediation of housing code violations and keeps detailed records of violations, housing conditions, vacant and boarded properties, and the status of properties that have been cited. Property values, home sale prices and rental rates are all measured in relation to other parts of the city. The City also tracks new housing construction, permit applications, and the status and dollars expended for individual residential, commercial, and institutional revitalization projects in each neighborhood.

The Midtown NRSA is also home to the City’s Business Development Center (BDC), which acts as a one-stop shop for technical and financial assistance to existing and potential business owners in the city. The BDC tracks the number of clients contacted (both existing businesses and potential entrepreneurs) and served by various programs. In addition, the NRSA doubles as the City’s Enterprise Zone (EZ); the Neighborhood Services Department works with the Economic Development Department to track the number of firms that utilize EZ incentives, the number of firms that relocated or remained in the city, and the number of jobs created and retained in

Midtown. Tracking these neighborhood indicators requires a constant, coordinated effort by Neighborhood Services and strong partnerships with other City departments and service providers that are better able to collect data “on the ground.”

## Funding

The City of St. Petersburg annually receives much smaller entitlements from HUD than does Richmond. In 2006, the City received slightly more than \$2.3 million in CDBG funds and \$1.3 million in HOME funds, plus a nominal (\$120,000) allotment of American Dream Downpayment Initiative (ADDI) and Emergency Shelter Grant (ESG) support. This represents a 21-percent decrease in federal dollars received compared with 2001 totals. To compensate, the City has had to be resourceful and tap into state and local funding alternatives. St. Petersburg now receives State Housing Initiatives Partnership (SHIP) funds in amount similar to CDBG dollars. These funds are more flexible than CDBG or HOME grants and can be used to serve households with incomes up to 120 percent of AMI, instead of the 80-percent federal limit.

The City also has allocated roughly \$500,000 per year from its own general revenues to support the Housing Capital Improvement Projects (HCIP). This allotment is even more flexible and is frequently used for minor rehabilitation grants and loans, accessibility improvements for disabled residents, and homebuyer assistance for households earning between 120 and 150 percent of AMI, who would typically be passed over by other programs which target people below federally-defined income thresholds. In reality, however, property values have risen by 150 percent in the city over the past five years, while households gained only nine percent of additional income. These property value increases reflect both revitalization as well as high demand for housing in the Tampa Bay area. In such market conditions, even households earning more than the median income can be quickly priced out of their own neighborhoods with little affordable housing available elsewhere in the city or county. Figure 2 displays several examples of how the City has leveraged funds from multiple sources to construct or rehabilitate rental units for a broad range of low- and moderate-income households.



**Figure 2: Examples of St. Petersburg Project Financing**

Activity	Agent	Funding Source	Amount	Activity	Agent	Funding Source	Amount
<b>Example 1: One unit of New Housing</b>				<b>Example 3: One Unit of Rehabilitated Housing</b>			
Transfer of Devel. Rts.	HCD	HOME	\$500	Rehabilitation	HCD	HOME	\$1,020
Construction	Local CDC	HUD Grant	\$4,167		Local CDC	SHIP	\$2,041
	Local CDC	Private Loan	\$62,814	Temp. Housing	Local CDC	Private Loan	\$20,408
					Local CDC	Private Grant	\$4,600
<i>Total</i>			\$67,481	<i>Total</i>			\$28,069
<i>Public Subsidy</i>			\$500	<i>Public Subsidy</i>			\$3,061
<b>Example 2: One unit of New Housing</b>							
Acquisition	HCD	SHIP	\$23,529				
Demolition	HCD	CDBG	\$5,000				
Construction	Local CDC	HOME	\$14,545				
	Local CDC	SHIP	\$34,545				
	Local CDC	Private Loan	\$128,587				
Homeowner Assist.	Local CDC	SHIP	\$5,000				
<i>Total</i>			\$211,208				
<i>Public Subsidy</i>			\$82,620				

County-sponsored funds have been invaluable for specific uses, and the amount and breadth of their utility will grow in the near future. A decade ago Pinellas County passed a one-percent sales tax increase called the Penny for Pinellas program. Funds generated from this tax, well over \$90 million over the past 10 years, were dedicated to community enhancement, including substantial earmarks for civic infrastructure in St. Petersburg. These funds have been utilized for a variety of City-led projects, as well as providing \$750,000 per year for the Neighborhood Partnership Matching Grant Program described above. The Penny for Pinellas statute is set to expire in March of 2007, but indications are that the County Commission will renew it.

Recently, Pinellas County also committed support for a Local Housing Trust Fund from its general revenues. Pinellas County will dedicate \$10 million per year in 2007 through 2009 to housing initiatives in St. Petersburg and several neighboring cities. This funding source will likely be similar in size to CDBG or SHIP, at least for the next three years, but much more flexible than either of those grants. In addition, the County Commission is giving serious consideration to establishing a Community Land Trust to be administered by the Pinellas Housing Finance Authority. The local branch of Habitat for Humanity is exploring a similar undertaking. These land banking systems, if implemented later this year, could provide some much needed assistance to affordable housing development efforts in the city. The City also currently has limited authority to issue bonds specifically for housing and community development initiatives.

A challenge that St. Petersburg has seemingly overcome well is how to integrate funds coming out of multiple purses that carry multiple and different use restrictions into a seamless program that is feasible to implement. The City has presented a variety of programs to the community from civic amenity improvements to home repair loans and downpayment assistance. Despite varying stipulations determined by the original grantor of each type of funding (CDBG, SHIP, etc.), the

City does not turn away applicants merely because they do not fit a specific formula. City staff creatively cobbles together funding from various governments and has successfully leveraged these funds into considerably greater amounts. In the past year, the City used just over \$6 million dollars in federal and state grants to leverage an additional \$17 million dollars worth of private and non-profit grants, loans and assistance for most of City's program offerings.

On a per-unit basis, the City has managed to keep its own expenditures reasonably low through leveraging. Over the past six years, the City has expended \$6.3 million on its multiple home purchase assistance programs (including WIN, PIN, A + Housing, etc.) to produce 689 units, roughly \$9,200 per unit. Though the City has been more frugal since 2000 in making loans to investors and developers (see "Lessons Learned," below), 31 units have been constructed in this manner at a public subsidy of just over \$80,000 per unit. Construction of 21 new units at the Jamestown Apartments, however, was approved for funding at \$197,000 per unit, though for a much more elaborate scope of work. Rehabilitation costs vary considerably from one project to the next, based upon the condition of the property, whether it is being brought up to code or improved beyond these standards, and so forth. Typical projects range up to \$25,000, but some incur costs in excess of \$70,000 or more per unit. Overall, since 2000 these repairs and renovations have averaged roughly \$17,400 of public subsidy per unit. Homebuyer education classes are fairly inexpensive to operate, averaging a City cost of \$91 per participating household over the past six years. Though it is difficult to measure an output from homebuyer classes, hundreds of families have received budgeting, foreclosure prevention and prepurchase counseling. Surely the costs associated with this education pale in comparison to the household financial, social, and fiscal costs associated with foreclosures, residents losing their homes, and properties being vacated.

## **Results**

The City has been able to marshal more than \$100 million of investment into Midtown since 1995. By leveraging local, state, and some federal funds, the City has constructed over the past few years a new community center, library, the Royal Theater, a Boys and Girls Club, the new Business Assistance Center, a new clinic, a supermarket, five new schools, five dog parks, a state-of-the-art skate park, two youth football complexes, an Educational and Environmental Nature Center and many other public facilities, small and large. Public art displays have been installed throughout the city by community members, and works of art have been incorporated into the design of three new library branches, four fire stations and five recreation centers. A business retention and recruitment program has brought new life to the city's oldest industrial area, through the Dome Industrial Park Revitalization Project in Midtown.

Through a combination of new construction, rehabilitation of vacant or abandoned units, and major repairs to occupied homes found to be in violation of building codes, the City has created or

improved more than 2,600 units over the past six years. In 1993, the City estimated that 903 vacant and boarded homes blighted city neighborhoods. Aggressive code enforcement vacated still more structures that were deemed unsafe, but by early 2007 fewer than 300 boarded homes remained. More than 3,500 code violations have been rectified over the past 15 years. Infill development has led to a net gain of housing units throughout the city. In addition, more than 2,500 households have benefited from mortgage counseling, family budgeting classes and foreclosure prevention programs. While not all of the affected households were in Midtown, a large proportion of them were, and the benefits have spread throughout the community. All neighborhoods in and around Midtown currently have new construction and rehabilitation projects underway that are being generated by market demand without public subsidy. Many of these neighborhoods had not seen a new housing unit built for decades.

Another result of the City's success (compounded by the region's surging economy) is that home prices have skyrocketed beyond the grasp of many would-be homebuyers. While homes in Midtown frequently sold for \$55,000 a decade ago, today many fetch upwards of \$300,000. The City's successful endeavors to increase homeownership rates have also depleted the existing stock of privately-owned non-subsidized rental units. The most economically disadvantaged are the least served by homeownership. For example, while the City extends its first-time homebuyer incentives to a broad spectrum of households (in terms of income), many fewer households earning 30 percent of AMI will be able to afford to purchase a home – even with substantial subsidy – than households earning 80 percent of AMI. Many of the lowest-income households, who could not afford to purchase a home, formerly occupied private rental units. But while rents and home sale prices rose over the past five to seven years, the City did not significantly increase its stock of subsidized rental units.

The increases in rents and home sale prices are both a result of neighborhood revitalization (and associated improved image/marketability) and the surge in home values regionally and nationally. Even relatively poor quality units that have not been rehabilitated, located farther away from revitalized blocks, have doubled in value over the past seven years or so. Gentrification and displacement are now the norm in Midtown and other St. Petersburg neighborhoods. An ongoing challenge is going to be how the City can create and maintain an affordable housing stock and balance affordability with the high levels of service and amenity that residents and government officials have worked so hard to achieve. City program managers must remember their Midtown experience when implementing redevelopment strategies in other neighborhoods, in order to be better prepared for similar affordability issues.

## Future Outlook

There are many links, well-known and documented elsewhere, between homeownership and the development and growth of healthy and prosperous households, neighborhoods, and adults and especially children that reside there. However, one cannot begin too early to provide for the future. The City's policy of encouraging homeownership over renting is one factor that has contributed to the present shortage of affordable housing (as are broader market forces and real and perceived neighborhood improvement). The City of St. Petersburg and much of Pinellas County is now built-out, with no cheap, readily-available land on which to locate new affordable housing units.

Land-banking with a community land trust is one option that the City hopes to exploit. However, that system works best when implemented early, while there still is developable land to be had. Another option, which the City is also exploring, is the encouragement of mixed-use developments and the rezoning of commercial parcels to allow residential uses as well. Though this can definitely provide additional capacity for housing units, development costs rise well above what they would be for "greenfield" development, or even on residential land occupied by abandoned single-family homes. The City is also trying to prevent a number of project-based Section 8 contracts, due to expire soon, from converting to market-rate rents. In place of the expiring federal subsidy, the City is attempting to cobble together its own subsidy package from various state and local sources. Some of the new County funds becoming available in the near future may help with both of these financial challenges.

## Lessons Learned

As redevelopment of Midtown has progressed over the years, City staff has gained valuable knowledge about the nuances of neighborhood revitalization. Concentrating on specific neighborhoods is an excellent start, but is not enough in and of itself to spark waves of private investment that require no subsidy. There is a "critical mass," or threshold level of investment, above which the impacts of investment will spread, but below which there will be little lasting impression of change in the neighborhood. This is essentially the same pattern that LISC noted about Richmond. In St. Petersburg, City staff identifies that threshold as at least five houses constructed or completely rehabilitated per block. Scattered site developments maintain a low profile, but concentrated changes on a single block create the visible difference necessary to spur individual homebuyers and private investors into action.

Another significant factor in the redevelopment of St. Petersburg has been the clear, consistent vision expressed and pursued by successive City administrations advocating seamless neighborhoods with the provision of high-quality public services and amenities throughout,

regardless of the ethnic or economic characteristics of the residents. This political support – vocal and unwavering – is needed to help reinforce the consensus-building work that precedes the actual disbursement of funds. Without it, support for the program would undoubtedly wane, or investments would stray from the guiding principles of concentration and coordination of effort. Once this occurs, the projects in question may not be viable and are unlikely to foster private sector development interest in the neighborhood.

## Greensboro, North Carolina

### City Community Development Policy Overview

Through comprehensive planning, targeted neighborhood strategies, and responsiveness to the needs that communities identify, Greensboro has developed and implemented a broad array of community development programs that in concert address neighborhood improvement objectives and the needs of low- and moderate-income persons. By structuring useful partnerships with organizations outside the government and actively seeking funding for specific program areas, the City's Department of Housing and Community Development (HCD) is able to deliver these programs and services effectively.

HCD takes the lead role in the City in housing, neighborhood development and economic activities but HCD coordinates with other City agencies on targeted neighborhood improvement activities. HCD Director Andy Scott manages a staff of approximately 25 people who specialize in housing development, neighborhood planning, economic development, housing assistance, homelessness prevention and grants administration. HCD provides staff to assist the members of the Greensboro Historic Preservation Commission, the Greensboro Housing Development Partnership and the Greensboro Redevelopment Commission. Related but separate functions are served by the City's Department of Planning, which directs the comprehensive planning process (see *Greensboro Connections 2025* below), supports four boards and commissions (the Planning Board, Zoning Commission, Board of Adjustment and Advisory Commission on Trees) and provides expertise on city-wide land use issues; and the City's Department of Engineering and Inspections, which enforces the building code and manages and inspects City infrastructure and facilities projects.

HCD manages the City's allocation of HUD funds with a Community Resource Board (CRB) comprised of community members who advise on the development of the HUD annual plan. Greensboro is the managing member of the Greensboro HOME Consortium. The consortium includes the City of Greensboro and Guilford County, the adjacent Alamance County and the City of Burlington within Alamance County.

Two separate planning processes have guided HCD's recent activities: the comprehensive city-wide planning process that culminated in *Greensboro Connections 2025*, a document adopted by the City Council in 2003; and the planning process connected to HUD-funded programs which led to the preparation of the *2005-2009 Consolidated Plan* and subsequent *Annual Action Plans*. These documents articulate Greensboro's goals, needs and strategies associated with community development and neighborhood improvement.

***Greensboro Connections 2025***

*Greensboro Connections 2025* is the City's first comprehensive plan. Covering land use, housing, transportation, economic development and open space, it outlines a vision for improving and maintaining the city as a whole and provides a foundation for efforts targeted to low-income persons and struggling neighborhoods. *Connections 2025* provides a shared vision and direction to the city's future development, involving hundreds of community members in various forums early in the process. It explicitly recognizes the gap between the "haves" and "have nots" in the city that falls largely along racial lines. Although it acknowledges that the city needs more than just comprehensive planning to address this divide, the need to increase equity between the city's more and less privileged residents, as a city that cares about all of its residents, is a theme that carries through the plan. *Connections 2025* also acts as Greensboro's "to do" list, identifying specific activities to undertake to implement the goals and objectives identified in the plan. Greensboro prepares an annual implementation report to disseminate information about the status of projects, citing specific actions taken.

***HUD Consolidated Plan***

In the *2005-2009 Consolidated Plan*, three central goals, all connected to reducing poverty and its effects, define the shape of the City's objectives and programming related to housing and community development:

- Provide decent and affordable housing for lower-income households;
- Provide housing and services for homeless and non-homeless populations with special needs; and
- Promote neighborhood and economic development.

The *2005-2006 Annual Action Plan* identifies both citywide activities and targeted revitalization areas. Citywide initiatives include the Citywide Housing Rehabilitation Program, Rental Housing Improvement Program activities, and homeownership and rental housing assistance. Three of the nine active Neighborhood Revitalization Areas (NRAs, described below) received CDBG funding for redevelopment and neighborhood improvement activities.

***Community Participation***

In Greensboro, community participation is an integral part of the planning and implementation of HCD's activities. In addition to the CRB that guides the Annual Plan process, HCD always involves at least one neighborhood association in its neighborhood redevelopment efforts and creates a community-based committee for each Neighborhood Revitalization Area (NRA, more information below) that selects its own members, runs meetings, presents findings, and reviews plans and development proposals. If a local neighborhood structure does not exist, the City will

initiate one, as it did with the recent South Elm Street NRA planning process, by organizing property owners who are stakeholders in the area's redevelopment.

The City relies upon strong resources for starting and maintaining neighborhood organizations. The Building Stronger Neighborhoods Coalition, a joint effort of several local foundations and the Greensboro Public Library, provides support, education and advice through the Greensboro Neighborhood Information Center (GNIC) housed at the Glenwood Branch Library. GNIC services include consulting, networking, coaching, leadership training, a website with links to neighborhood-related sites, a Greensboro Neighborhood Directory, email distribution of neighborhood-related announcements and programming, training and advocacy through the Greensboro Neighborhood Congress. The Building Stronger Neighborhoods Coalition also provides grants to neighborhood groups for community activities and events such as Spring Fling and National Night Out, Girl Scout troop start-up funding, newsletters, beautification projects, and teen summit and domestic violence workshops.

### ***Neighborhood Planning and Targeted Neighborhood Strategies***

Greensboro takes a tiered approach to addressing neighborhood issues. The City's redevelopment activities take place in Neighborhood Revitalization Areas (NRAs)<sup>2</sup> where the City actively intervenes in development. Neighborhoods are identified as Revitalization Areas if "blighted" conditions are present, meaning that a high percentage of properties are in disrepair, that crime and safety issues are prevalent, and neighborhood infrastructure and public spaces are lacking. Greensboro funds housing rehabilitation and development projects within its NRAs using funding from HUD and the City's own sources, and implements comprehensive strategies for neighborhood development and infrastructure improvements based on a redevelopment plan. Greensboro, through its Redevelopment Commission staffed by HCD, engages in condemnation where necessary in order to acquire properties in NRAs and re-sell them to private developers. The Commission's board, made up of five city residents appointed for five-year terms, is responsible for designating, planning and carrying out redevelopment activities within NRAs in accordance with state and local laws. HCD staff also meets monthly with the City Implementation Team consisting of staff from the City's Transportation, Water Resources, Engineering and Parks & Recreation departments to discuss current activities and ensure that the City's investments are meeting NRA goals.

Greensboro has also started to take a comprehensive approach to improvements in other neighborhoods not requiring redevelopment. In 2002 the City created the Neighborhood Planning Division within HCD to address the needs of communities not considered blighted but facing quality of life issues or specific threats such as an increase in new development that doesn't fit the

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<sup>2</sup> Greensboro does not participate in HUD's Neighborhood Revitalization Strategies Area program, and its NRAs are not affiliated with this HUD program.



character or needs of the neighborhood. The division works with communities to develop and implement plans, collaborating closely with other City departments such as Police, Transportation, Environmental Services, Planning, and Parks & Recreation. Plans and strategies go beyond land use to address the need for capital improvements, historic preservation and public safety strategies, for example. Through neighborhood planning the City seeks to preserve the physical fabric of a neighborhood and protect what is unique about it. One technique the HCD utilizes (as does the City of Raleigh) is the *neighborhood conservation overlay (NCO) district*, a zoning mechanism tailored to communities to ensure that investment in the neighborhood is designed to preserve the unique character of a specific place. NCOs focus on the property elements visible from the right of way, such as setbacks, building height, massing and principal elevation features. Residents request an NCO and work with planning staff to define the boundaries and develop the guidelines. In order for the NCO to be adopted, a majority of the residents within the boundaries must approve it.

Neighborhood planning studies have been well received by the communities they target – so well received that many more community groups are requesting them for their neighborhoods. The City is responsive to neighborhood requests for assistance but, moving forward, seeks to develop more analytical methods for determining the areas of the city most in need of attention and assistance.

The City's neighborhood-based activities provide a good example of using coordination and focus to provide an appropriate level of service and utilize HCD staff expertise where it can be most effective. Its efforts to define and implement NRAs build long-term neighborhood improvements, channel a significant portion of public funds devoted to housing and neighborhood development, and avoid the problem of simply reacting to immediate and acute quality of life issues.

Conversely, less struggling neighborhoods are not designated as NRAs but are assisted through HCD's neighborhood planning activities described above. For severe quality of life issues needing immediate response, the City instead uses a program called SCOR (described in more detail below) through the Police Department's Community Policing program to quickly respond to quality of life issues that a community identifies in a neighborhood. In this manner, HCD staff focuses its efforts and available funding on longer-term plans for neighborhood improvement in areas where it is truly needed.

Through the SCOR (Strategic Coordination of Resources) program the City engages in limited manner in targeted enforcement as part of its neighborhood improvement activities. All City departments involved in the program, including the Fire, Police, Sanitation, Engineering & Inspections and Parks & Recreation departments, meet twice monthly to coordinate activities in the defined areas, usually one block in size. Areas are defined with community input, guided by anecdotal information gathered from community meetings in the City's four precincts, but based on police statistics. The SCOR program avoids criticism for unfairly targeting its efforts on any group of residents within Greensboro because 1) police statistics support the decision to target an area; 2)

SCOR areas are very small and represent the most distressed blocks in the city; and 3) requests for targeting tend to be initiated by residents living on the block. It is important to note that the Department of Engineering & Inspections, not HCD, handles building code enforcement and complaints about vacant lots. Outside the SCOR program, code enforcement efforts are not targeted to specific neighborhoods and complaints against selective enforcement are minimized by requiring that citizen requests for a code inspection of a building be supported by the signatures and addresses of five Greensboro residents.

## **Highlighted Programs**

Although Greensboro, like Richmond, focuses on targeted neighborhood improvement, it also funds a variety of programs that more specifically address the needs of low- and moderate-income persons living within the city. Significant effort and funding are directed toward physical revitalization of neighborhood housing stock, commercial centers and infrastructure. Larger-scale building construction and renovation activities serve as a vehicle to provide high quality affordable housing, improve the “curb appeal” of a neighborhood and leverage public funds with increased private investment that ultimately expands the City’s tax base. Nevertheless, Greensboro also recognizes the need to assist on an individual and household level through HCD programs designed to educate on lead-based paint hazards and homeownership, combat health threats, and enhance housing choices and economic opportunities for the city’s low- and moderate-income residents. Key programs and projects are described in more detail below.

### ***Program Origins***

The City has a long history in creating affordable housing and redeveloping neighborhoods. Greensboro erected its first public housing project in 1952, and the Greensboro Redevelopment Commission undertook the first redevelopment project approved in North Carolina, the Cumberland project, in 1959. Similar to the experience of many cities, the “slum clearance” projects advanced by Greensboro over the following years left certain areas of the city devastated rather than revitalized. However, within the past 20 years, the City has begun to provide more comprehensive services to targeted neighborhoods, a process that has evolved as neighborhood residents have taken a more active role in charting the course of a community’s change. Greensboro looks at every neighborhood differently, tailoring a response to each community based on neighborhood conditions and focusing on the uniqueness of the community when crafting strategies for neighborhood improvement. Through various strategies, the City’s goal is to address problems related to the physical deterioration of neighborhoods and increase private investment into disinvested areas.

Greensboro has also successfully initiated programs that meet identified needs within the city and are funded through project-specific sources. For example, Greensboro recognized the threat that lead-based paint posed to its residents, particularly to children under six years of age. With nearly

61,000 housing units in the city built before 1980, national statistics indicated that about 25 percent of those units – or more than 15,000 units – were likely to contain lead-based paint. Furthermore, a County ordinance requiring lead testing for children under six has shown that the risk of high lead levels is real in Greensboro and has identified specific cases in which intervention is necessary. Greensboro used this information to apply for funding for a Lead Safe Housing program and received a \$3 million, three-year grant through the HUD Healthy Homes program. Greensboro subsequently received an additional \$3 million in a second round of funding and is now in the process of applying for its third, three-year funding cycle under this program. Similarly, Greensboro sought and received over \$2 million in grant funding from HUD and U.S. EPA to address the impediment of environmental contamination facing an old industrial area that has been immune to the forces of revitalization surrounding it. Greensboro plans to use those funds in conjunction with several other sources of public funds and financing to create viable development opportunities within a targeted area.

### ***Program Offerings***

In addition to the City's neighborhood redevelopment activities, the programs described below include 1) programs that improve housing stock through funding to low- and moderate-income households and 2) economic and social services for individuals and small businesses.

**Greensboro Affordable Home Loan Initiative (GAHLI).** GAHLI is a program that combines homebuyer counseling, education and financial assistance to low- and moderate-income, first-time homebuyers in Greensboro. GAHLI provides a no-interest second mortgage with repayment deferred until the property is sold or refinanced. The program requires homeowner counseling in order to receive the loan.

**Homelessness Prevention Assistance.** The City's homelessness prevention assistance programs provide a variety of services targeted to people who are homeless or at risk of becoming homeless due to a lack of affordable housing.

The **Lead Safe Housing Program** combats the threat of lead-based paint to the healthy development of Greensboro's children. At the core of the program are grants for lead abatement, combined with public outreach to the city's most vulnerable populations and skill development among the city's home improvement contractors.

**Homeowner Housing Rehab Program (HHRP) and Rental Housing Improvement Program (RHIP).** Through these two programs the City provides assistance to homeowners and landlords in the form of low-interest loans for home improvement. The HHRP targets low-income persons who own a home but do not have the funds for significant repairs. HHRP funds the actual cost of

repairs, up to \$43,400, on a 20-year repayment schedule. Applicants must be owner-occupants earning no more than 80 percent of AMI and living in property with a value not exceeding \$130,000. The RHIP funds a portion of renovation costs for owners or purchasers of rental housing of seven or fewer units. All units receiving RHIP assistance must have rents affordable to low-income persons and require a minimum of \$5,000 in repairs.

The **Targeted Loan Pool** addresses the particular objective of providing more employment in neighborhoods with elevated levels of unemployment. The program provides capital financing for small businesses that would not typically be eligible for a traditional bank loan. Loans are granted to businesses located or desiring to locate within a state-designated economic development zone located primarily in eastern Greensboro. Loans range from \$25,000 to \$200,000. Program rules require that for each \$50,000 borrowed, one permanent job for a low-income person must be created or maintained.

## Program Implementation

### ***Defining and Implementing Redevelopment Activities in Neighborhood Revitalization Areas***

When efforts began 20 years ago, NRAs were identified by the City through comprehensive studies and analysis of criteria that targeted struggling neighborhoods. More recently, communities have initiated the process. Active NRAs of various sizes (from nine to 250 acres) are in various stages of completion. Some NRAs, such as the East Market Street commercial corridor and the Willow Oaks neighborhood, had been devastated by urban renewal and public housing projects in the 1950's and 1960's. Greensboro has been working in some NRAs since the late 1970's, and all are targeted for completion by 2010.

Currently there are 11 NRAs in Greensboro, and the City is active in 10 of them. The City remains active in an NRA until the goals defined in the redevelopment plan are met. The City has finished its work in one area, the College Hill neighborhood, an area of about 30 blocks on the southwest side of downtown Greensboro. An area filled with historic homes, the neighborhood was threatened by substandard housing owned by absentee landlords and was losing its historic fabric to new commercial development. With the City's intervention in designating it an NRA in 1978, conditions started to change. With City support and investment, residents began to rehabilitate their century-old homes, new housing was constructed, dilapidated housing was demolished, new housing was constructed, and historic streetscape improvements were made. Driven by the hard work of neighborhood residents, the area was designated an historic neighborhood in 1980. Private investment followed, including the adaptive reuse of an old mill complex into condominiums. Now the area maintains its historic character through a Municipal Service District, a special property tax assessment of \$0.05 per \$100 of assessed value earmarked for historic streetscape

improvements, with area residents deciding how the funds will be used. Two other NRAs – Ole Asheboro and Arlington Park -- were initiated around the same time period as College Hill. Given their their large size (Arlington Park is 90 acres, Ole Asheboro is 250) and ambitious goals, land disposition and City investment in these NRAs continue.

The South Elm Street Redevelopment Project is the most recent area to be defined as an NRA. The area's industrial past and perceived contamination of properties has inhibited development of the area. A six-month planning effort with strong community involvement preceded the release of a redevelopment plan in 2006. The Redevelopment Plan calls for a mix of affordable and market-rate residential, retail and commercial uses to be funded by various public sources to leverage private investment (see Funding, below).

### ***City Administration of Grant and Loan Programs***

HCD administers the home improvement loans for HHRP and RHIP and the abatement grants under Lead Safe Housing. Abatement grants under Lead Safe Housing are available generally on a first-come, first-served basis, with priority given to referrals of households containing children under six that have tested positive for elevated lead levels. Eligible units must contain or be made available to low- and moderate-income households; most grants must also be directed towards units that house children under the age of six. In order to receive grants from the City, all other serious code violations must be addressed. The City controls the process for administering abatement in the following sequence: 1) a consultant is sent to the property to perform a lead inspection and suggest interim controls; 2) City staff writes up the job and guides it through the City's procurement process, 3) the selected contractor performs the work under a contract between the contractor and the homeowner or landlord; and 4) the City inspects the property and the contractor prepares a clearance report. The City then adds the property to its database of lead-free housing.

HCD also administers the Targeted Loan Program for neighborhood business capital financing with public funds leveraged by private funding sources. The loan pool is a \$1 million fund comprised of \$400,000 in CDBG funds and \$600,000 in funds from private banks. The 60 percent of each loan from private banks carries the servicing bank's prime rate, while the City portion of the loan (the remaining 40 percent) is at or less than five-percent interest. Loans can be used to purchase property to house a business; construct or rehabilitate or improve the energy efficiency of a building; or purchase equipment or fixtures that are part of the real estate. Financing inventory, providing working capital, or refinancing an existing loan are not eligible uses of loan proceeds. Applicants fill out an application and provide business plan, documentation of company's finances and sources of collateral, as well as a form identifying the jobs to be created through the proceeds.

Greensboro also encourages high quality development through the use of new construction design standards tailored by neighborhood and rehabilitation guidelines that are in use city-wide. In

addition, Greensboro is seeking to incorporate higher efficiency and green building standards for renovation and new construction. Currently all developers selected by the City must use Energy Star products, and it is likely that upcoming RFPs will include greater requirements for green building practices.

### ***Using Partnerships to Provide Services***

Within certain programs, HCD uses organizations outside the City government that are more in touch with the constituencies targeted by the funding. These arrangements range from filling short-term needs for training to longer term provision of specialized services such as assistance to homeless populations and first-time homebuyers.

HCD administers funds earmarked for Homelessness Prevention as grants to outside agencies through an RFP process. Agencies must be affiliated with the Homeless Prevention Coalition of Guilford County (HPCGC). The HPCGC coordinates a range of homelessness-related services to through a county-wide Continuum of Care Planning Group. Services provided include operation of shelters, emergency assistance with rental and utility payments, long-term rent payment assistance, and information and referral services.

With GAHLI, the City funds the Greensboro Housing Development Partnership (GHDP), a partnership between the Greensboro Redevelopment Commission and the Greensboro Housing Authority to administer the program. The GHDP runs all aspects of the program (counseling, education, loan administration, etc.) through its Housing Counseling Services (GHCS) from initial contact with clients through the closing on a home.

There is also a strong outreach component of the Lead Safe Housing program that the City also accomplishes with local providers such as the County Health Department and the local housing coalition. These providers have experience working with vulnerable populations, such as the growing number of Spanish-speaking immigrants, and can effectively get the message out through door-to-door outreach, health fairs and other means. The City also relies upon outside providers to provide training to home improvement contractors. Rather than set up training from scratch, the City simply pays the cost of trainers for classes that contractors can attend at no cost.

## **Funding**

The 2006-07 HCD budget is approximately \$15 million of funding from Federal and City funding sources, including its share of the consortium's HOME funds and reprogrammed funds from prior years.<sup>3</sup> Of these funds, about \$8.75 million comes from HUD and the remainder comes from City

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<sup>3</sup> 2006-07 budget information is from the *2006-2007 Housing and Community Development Annual Plan Draft*, prepared by HCD, to be included in the city's 2006-07 Annual Plan submission. 1999-2000 budget information is derived from the *Spring 2000 Affordable Housing Update* prepared by HCD.

sources. HUD sources include about \$4.4 million in CDBG, HOME and ESG funds. Two major sources of revenue from HUD for 2006-2007 are grants the City won for specific projects: \$3,135,800 in funding awarded through a Brownfields Economic Development Initiative (BEDI) grant and \$1,258,000 for the current year's funding under the Lead Grant.

Of the \$6.4 million in City funding sources, approximately \$2.6 million is from the City's General Fund. Proceeds from City redevelopment bonds for specific projects add \$1.2 million. Voters approved a total of \$17.9 million in housing and redevelopment bond funding in four referenda between 1985 and 1996. For the last several years the City has dedicated approximately one cent of the property tax rate to the Nussbaum Housing Partnership Fund, a fund dedicated to affordable housing programs, including the Greensboro Affordable Home Loan Initiative (GAHLI), nonprofit lease-purchase and homeownership programs, and affordable rental projects. The 2006-07 budget includes \$2.6 million from the Nussbaum Housing Partnership Fund.

Greensboro has been able to markedly increase its funding for HCD programs since 2000, even though funding levels through CDBG and HOME have remained more or less even and no new City bond issues have been approved by the voters. Because bond issues increase the City's indebtedness and must be repaid out of the City's budget if there is insufficient or no program income to cover the debt service, it is not surprising that there is no political momentum for repeated use of bond funding. A major source of the HCD budget increase are the two program-related grants that the City has received for brownfields redevelopment and lead abatement. Together these sources have added approximately \$4.4 million to HCD's annual budget. Also notable is the increase in the City's Nussbaum Housing Partnership Fund compared to the 1999-2000 budget of \$2 million; increases in the tax base increase the size of the fund.

The City's latest redevelopment project, the South Elm Street NRA, provides an example of how to develop a funding plan to target public funds where needed and utilize those funds to leverage private investment. Sources of public funding include a \$200,000 grant from EPA for environmental assessment and a \$2,000,000 Brownfield Economic Development Initiative (BEDI) grant from HUD. The BEDI grant is combined with a HUD Section 108 Loan to cover land acquisition, relocation, environmental remediation and other predevelopment activities. In comparison, a relatively small amount of CDBG funds (\$698,000) is budgeted for predevelopment activities and loan financing costs. Full repayment of the Section 108 Loan through land sales is expected to occur in about three years. HOME funds will provide \$790,000 to subsidize 63 units of affordable housing, a subsidy of about \$12,500 per affordable unit. Infrastructure costs will be assumed by the City, both in general funds (\$1,050,000) and in Certificates of Participation (COPs). The \$3,525,000 budgeted in COPs financing will be used primarily for construction of a public parking facility that can efficiently provide off-street parking at all hours of the day, offset the need to build private parking for individual buildings, and encourage the eventual

redevelopment of unattractive surface parking lots in the area. The estimated \$600,000 annual increase in City and County property tax revenues resulting from the project will be used to repay the proceeds from the COPs. The \$11 million in public funding budgeted to this project is anticipated to encourage investment with a total value of between \$45 and \$50 million.<sup>4</sup>

## Results

Measurable results have been reached with several programs. Using HOME and ADDI funds, GHDP granted approximately 1,200 second mortgages to low-income, first-time homebuyers through the GHALI program. In the 2005-2006 program year, the average loan cost an average of less than \$4,000 and acted as the catalyst to greater homeownership and private investment in the form of a first mortgage. With the \$660,000 budget for Homeless Prevention services for 2006-2007, approximately 12 providers will provide services to 350 families and support at least 3,000 shelter client-nights. Under the housing repair programs, Greensboro has approved about 1,600 loans in 30 years, or about 50-60 loans per year. The Lead Program has funded abatement of 410 housing units during the nearly six-year life of the program and training for about 200 contractors and City workers. These results are in addition to the hundreds of units built or renovated by non-profit and for-profit developers through the City's redevelopment activities.

In the 2005-2006 funding year, Greensboro also reported results from affordable housing projects that have received commitments of public funds.<sup>5</sup> Seven affordable projects were in various stages of progress from development to sale and closeout. In total these projects include 270 single-family housing lots, 137 of those lots allocated to low- and moderate-income housing and earmarked for HOME funds for new development, infill construction and two rehab and resale houses. Public subsidy consisted of \$1,931,692 in HOME investment and City funding of \$10,739,708, or nearly \$47,000 per unit. The 137 affordable homes had an average subsidy of approximately \$14,000 in HOME funds. Two affordable rental projects utilizing HOME funds are currently in construction. A total of \$668,365 in HOME funding is allocated for the 76 units in these two projects, yielding an average HOME subsidy of \$8,794.

Of course, success in the physical revitalization of cities often leads to concerns about gentrification and the impacts of change. Greensboro is no different from other cities in this respect. The City considers improvements to the appearance of neighborhoods, increased demand for housing in formerly disinvested neighborhoods and an expansion of the City's tax base all as positive outcomes, but keeps an eye focused towards the impacts. Resident reaction to the prospect of change in the neighborhood varies: some eagerly await it and others are fearful of displacement. Involving communities deeply in defining the changes desired in a neighborhood helps in

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<sup>4</sup> Planned financing for the South Elm Street NRA is from the *South Elm Street Redevelopment Plan*.

<sup>5</sup> Results reported on affordable housing development are from Greensboro's 2005-2006 draft *Consolidated Annual Performance and Evaluation Report (CAPER)*



addressing the reaction to change. HCD also attempts to address concerns about gentrification by striving to include affordable housing as a component in each NRA, along with private market-rate housing in order to create maintain communities' socioeconomic diversity.

## **Future Outlook**

HCD would like to further measure and quantify the results of its neighborhood activities and has begun two initiatives that will assist in the endeavor. First, the City has documented *Urban Development Investment Guidelines* that provide clear and consistent standards to developers seeking assistance from the City. The Guidelines identify the areas (including downtown) where assistance is to be targeted and eligible uses of City funds. The Guidelines also outline the assistance review process including the criteria on which a project is rated. These criteria include measurement of the City's return on investment in terms of job creation and tax base enhancement, meeting of City objectives, and incorporation of design and smart growth principles, as examples. In addition, HCD is currently working on a program to quantify neighborhood indicators that can be used to monitor impacts of neighborhood improvement activities and act as an "early warning" system to identify neighborhoods needing assistance before precipitous change occurs in the neighborhood. Under this program the City could more fairly assess community requests for assistance without any bias towards the communities that are most vocal in their demands.

## **Lessons Learned**

### ***Efforts Should be Focused to Achieve a Measurable Result***

A sweeping program that covers a large geographic area or is too broad in its objectives can be much less effective than a more targeted program. Greensboro has learned through its efforts to define Neighborhood Revitalization Areas (NRA) as an area large enough to have an impact, but small enough to achieve all goals within a 5- to 10-year period. NRAs established since the early to mid-1990s are under 100 acres; smaller NRAs are now about 10 blocks.

### ***Partnerships are Key to Accomplishing City Objectives***

In many of the City's community development activities, entities outside the government play important roles. The Greensboro Neighborhood Congress, a citywide alliance of neighborhood organizations, works with the City to inform and involve neighborhoods in planning and revitalization efforts. In 2003, the first citywide neighborhood summit (Neighborhood Matters!) provided a forum and training for neighborhood leaders.

Housing development and renovation clearly depends upon the participation of contractors, developers and banks. Greensboro generally uses an RFP process to direct housing projects to non-profit and for-profit developers, and even to provide social services to residents at risk of homelessness. For the Lead Safe Housing program, the City recognized that to accomplish its

objectives it must increase the capacity of local contractors to assess and abate lead paint conditions. Regardless of whether Greensboro receives another 3-year grant from HUD, contractors increasingly have the tools to identify and correct lead concerns when doing home repairs.

***Activities Should be Closely Monitored and Documented***

Greensboro has learned to include monitoring in its activities and has developed guidelines and standards for programs where appropriate. For example, partners in the Lead Safe Housing program provide quarterly reports to an advisory board to keep track of how funds are spent. The City's *Urban Development Investment Guidelines* and the rehabilitation and design guidelines that HCD promulgates also help to ensure the highest quality development as well as to document that the City's funds are put to use where really needed and clearly meet the City's objectives.

## **Appendix A: Community Development Program Matrix**

Housing and Community Development Best Practices Matrix		
	Raleigh, NC	Greensboro, NC
Concentrate Resources	Nine redevelopment areas. New ones added before existing ones are successful.	Nine active NRAs where City intervenes most directly through planning, redevelopment activities, and coordination among various City departments. City remains active in NRAs for many years until goals are achieved.
Focus on Target Blocks	Clearance and new construction efforts focus on a few blocks at a time.	SCOR program to address individual blocks with most severe quality of life issues through targeted enforcement activities.
Build Consensus / Political Will	Budgetary struggles over neighborhood redevelopment in competition with providing infrastructure and services to newly developing portions of the city.	Community teams advising redevelopment process; Community Resource Board to guide HUD entitlement funding process; efforts to develop more quantitative tools for evaluating neighborhood conditions.
Enable Community to Implement its Goals	Dialogue with SERA; Citizen Advisory Councils; Neighborhood Quality Teams.	Neighborhood planning process and City dialogue with neighborhood groups.
Build Neighborhood Capacity	Founded SERA for community input and guidance. Working with CDCs and faith-based groups to develop greater capacity for new development. Nascent <i>We Are Neighbors</i> program addresses ethnic communities.	Technical assistance and funding for starting and maintaining neighborhood associations through the Building Stronger Neighborhoods Coalition, the Greensboro Neighborhood Congress and the Neighborhood Info. Ctr.
Establish Partnerships w/ Service Providers	Homelessness programs and homebuyer counseling implemented through partnerships	Lead Safe Housing program outreach and education through County Health Dept. and local housing coalition. homeless prevention services funded by City through RFP process
Support Non-Housing Improvements	Homebuyer counseling. Infrastructure improvements in redevelopment areas. Public safety initiatives include Weed and Seed, CPTED, and CHOICE drug pilot program.	GHALI first time homebuyer loans and counseling; City funding for infrastructure improvements; Municipal Service District program to fund streetscape in historic districts.
Leverage Funds/ Partner Strategically	Building CDC capacity. City partners with local developers. No partnerships with LISC or other foundations. City works to leverage County funds and partners with local non-profits to leverage additional resources.	Example of South Elm Street brownfield redevelopment using BEDI/Sec. 108 loan and City investment to support private investment; use of Urban Development Investment Guidelines to evaluate City investment in a project.
Address Neighborhood Businesses	No Economic Development Department or small business. loan programs. Only selected investment in commercial property redevelopment in targeted neighborhoods. RADA and Raleigh Technology Center support small businesses.	Targeted Loan Pool program for job creation and small business development; economic development staff assistance to entrepreneurs
Track Neighborhood Indicators	Starting to pursue neighborhood indicator tracking.	<i>City Scan</i> housing and neighborhood conditions monitoring strategy (in development)
2005 Population	315,259	208,552
Annual Housing/CD Funds		
Federal	\$7,600,000	\$4,400,000
State	\$75,000	\$0
Local	\$6,300,000	\$6,400,000
Other	\$0	\$4,400,000
Total	\$13,975,000	\$15,200,000

Source: Internet research and program administrator interviews; Bay Area Economics, 2007.

**Housing and Community Development Best Practices Matrix (continued)**

	<b>Richmond, VA</b>	<b>St. Petersburg, FL</b>
<b>Concentrate Resources</b>	Six areas participating in Neighborhoods in Bloom receive 80 percent of federal dollars, plus targeted local/non-profit funds and related initiatives	Focus most revitalization efforts on neighborhoods in Midtown/NRSA
<b>Focus on Target Blocks</b>	Identified 6-10 block areas within each neighborhood where impact would be greatest.	Concentrated efforts on key sites within Midtown, such as the Dome Industrial Park
<b>Build Consensus / Political Will</b>	Neighborhood Team Process active since 1988, builds community buy-in; City Mgr's office champions effort	Consecutive mayors focus on building neighborhood identity/capacity, consistent vision of "seamless" neighborhoods
<b>Enable Community to Implement its Goals</b>	Maintain dialogue with civic associations to identify target and problem properties, fund CDCs to acquire and solve these problems.	Neighborhood Partnership Program & Matching Grants; group participation in events like Scrubbing the 'Burg
<b>Build Neighborhood Capacity</b>	Neighborhood Team Process; team with local colleges to provide capacity-building training	Neighborhood Services Dept. fostered creation of 100-plus civic associations
<b>Establish Partnerships w/ Service Providers</b>	Established close working relationship with RRHA, LISC, local CDCs/housing developers, non-profits, and special needs service providers.	Networked with all affordable housing providers in the Region
<b>Support Non-Housing Improvements</b>	CAPS/Blitz-to-Bloom public safety initiatives; capital improvement dollars for neighborhood infrastructure; family finance courses provided by local CDCs/colleges	Significant capital improvements for neighborhood amenities; "beat cop" model for police/community relationship; homebuyer/homeowner courses;
<b>Leverage Funds/ Partner Strategically</b>	Extensive use of LISC/non-profit sector financial and technical support; utilize CDCs and RRHA construct/rehab housing units; CDCs assist elderly and disabled residents	Cobble funding packages together from disparate federal, state, and local sources into cohesive "product" presented to "customers" (homebuyers, residents, businesses, etc.)
<b>Address Neighborhood Businesses</b>	CARE Loans and Neighborhoods in Bloom Revolving Loan Fund support business growth, job creation, commercial structure rehabilitation	Dome Industrial Park Revitalization Project offers employer incentives, job training and placement for area residents; Business Assistance Center is a one-stop shop; both are located in Midtown.
<b>Track Neighborhood Indicators</b>	Demographics; crime rates; code violations/repairs; vacancy rates; home sale prices; rent rates; development applications/construction permits; tracked by CD Dept.	Demographics; crime rates; code violations/repairs; vacancy rates; home sale prices; rent rates; development applications/construction permits; N-Team collects housing data; Neighborhood Services Dept. tracks trends.
<b>2005 Population</b>	180,757	232,960
<b>Annual Housing/CD Funds</b>		
Federal	\$12,200,000	\$4,500,000
State	\$1,200,000	\$2,000,000
Local	\$1,200,000	\$13,000,000
Other	\$3,100,000	\$500,000
<b>Total</b>	<b>\$17,700,000</b>	<b>\$20,000,000</b>

Source: Internet research and program administrator interviews; Bay Area Economics, 2007.

## **Appendix B: Demographic Profiles of Cities Studied**

**Table B-1: Population and Household Trends (a)**

	Raleigh					Greensboro				
	1990	2000	2005	Annual Growth '90-'00	Annual Growth 00-05	1990	2000	2005	Annual Growth '90-'00	Annual Growth 00-'05
<b>Population</b>	207,951	276,093	315,249	2.9%	2.7%	183,521	223,891	208,552	2.0%	-1.4%
<b>Households</b>	85,822	112,608	138,981	2.8%	4.3%	74,905	92,394	93,221	2.1%	0.2%
<b>Avg. Household Size</b>	2.26	2.30	2.27	0.2%	-0.3%	2.33	2.30	2.24	-0.2%	-0.5%
<b>HH Median Income</b>	\$32,451	\$46,612	\$48,131			\$29,184	\$39,661	\$36,733		
<b>Household Type</b>										
Family	56.2%	54.5%	54.1%			61.6%	58.4%	55.3%		
Non-Family	43.8%	45.5%	45.9%			38.4%	41.6%	44.7%		
<b>Household Tenure</b>										
Renter	53.1%	48.4%	46.2%			46.3%	47.0%	47.3%		
Owner	46.9%	51.6%	53.8%			53.7%	53.0%	52.7%		
<b>Median Age</b>	30.3	30.9	32.6			32.2	33.0	35.8		
<b>Ethnicity</b>										
African-American		27.5%	26.7%				37.1%	38.5%		
White		60.3%	58.0%				53.6%	49.1%		
Hispanic		7.0%	9.7%				4.4%	5.7%		
Asian		3.4%	3.8%				2.8%	4.2%		
Other		0.5%	0.5%				0.7%	0.7%		
Two or More Races		1.4%	1.3%				1.4%	1.8%		
<b>Total</b>		100.0%	100.0%				100.0%	100.0%		
	St. Petersburg					Richmond				
	1990	2000	2005	Annual Growth '90-'00	Annual Growth 00-06	1990	2000	2005	Annual Growth '90-'00	Annual Growth 00-'06
<b>Population</b>	238,629	248,232	232,960	0.4%	-1.3%	203,056	197,790	180,757	-0.3%	-1.8%
<b>Households</b>	105,703	109,663	108,808	0.4%	-0.2%	85,337	84,549	82,199	-0.1%	-0.6%
<b>Avg. Household Size</b>	2.19	2.20	2.14	0.0%	-0.6%	2.25	2.21	2.20	-0.2%	-0.1%
<b>HH Median Income</b>	\$23,577	\$34,597	\$37,947			\$23,551	\$31,121	\$34,396		
<b>Household Type</b>										
Family	58.3%	56.2%	54.2%			54.8%	51.6%	47.7%		
Non-Family	41.7%	43.8%	45.8%			45.2%	48.4%	52.3%		
<b>Household Tenure</b>										
Renter	37.0%	36.5%	36.7%			53.7%	53.9%	54.6%		
Owner	63.0%	63.5%	63.3%			46.3%	46.1%	45.4%		
<b>Median Age</b>	38.6	39.3	41.4			33.2	33.9	35.9		
<b>Ethnicity</b>										
African-American		22.1%	25.5%				56.9%	55.2%		
White		68.6%	65.3%				37.7%	37.4%		
Hispanic		4.2%	4.3%				2.6%	3.8%		
Asian		2.6%	3.0%				1.2%	1.3%		
Other		0.5%	0.3%				0.4%	0.4%		
Two or More Races		1.8%	1.6%				1.3%	2.0%		
<b>Total</b>		100.0%	100.0%				100.0%	100.0%		

Notes: (a) 1990 income data reflects 1989 earnings. 2000 income data reflects 1999 earnings. 2005 data based on ACS estimates.

Sources: US Census, 1990 &amp; 2000, American Community Survey, 2005 (ACS); Bay Area Economics, 2007.

**Table B-2: Housing Units by Vacancy Status, 2000**

<b>Vacancy Status</b>	<b>Raleigh</b>		<b>Greensboro</b>	
	<b>Number of Units</b>	<b>Percent of Total</b>	<b>Number of Units</b>	<b>Percent of Total</b>
Occupied	112,608	93.3%	92,394	93.0%
Vacant	8,091	6.7%	6,911	7.0%
For rent	4,907	4.1%	3,358	3.4%
For sale only	1,262	1.0%	985	1.0%
Rented or sold, not occupied	601	0.5%	591	0.6%
For migrant workers	3	0.0%	2	0.0%
Other	1,318	1.1%	1,975	2.0%
<b>Total</b>	120,699	100.0%	99,305	100.0%

<b>Vacancy Status</b>	<b>St. Petersburg</b>		<b>Richmond</b>	
	<b>Number of Units</b>	<b>Percent of Total</b>	<b>Number of Units</b>	<b>Percent of Total</b>
Occupied	109,663	88.0%	84,549	91.6%
Vacant	14,955	12.0%	7,733	8.4%
For rent	4,003	3.2%	3,113	3.4%
For sale only	1,702	1.4%	949	1.0%
Rented or sold, not occupied	868	0.7%	761	0.8%
For migrant workers	1	0.0%	2	0.0%
Other	8,381	6.7%	2,908	3.2%
<b>Total</b>	124,618	100.0%	92,282	100.0%

Sources: US Census, 2000; Bay Area Economics, 2007.



**Table B-3: Housing Stock by Year Built, 2000**

	Raleigh		Greensboro	
	Number	Percent of Total	Number	Percent of Total
<b>Year Structure Built</b>				
1999 to March 2000	5,546	4.6%	2,939	3.0%
1995 to 1998	14,921	12.4%	9,090	9.2%
1990 to 1994	11,227	9.3%	8,446	8.5%
1980 to 1989	32,120	26.6%	17,782	17.9%
1970 to 1979	21,182	17.6%	18,247	18.4%
1960 to 1969	15,528	12.9%	15,979	16.1%
1950 to 1959	9,316	7.7%	13,316	13.4%
1940 to 1949	4,905	4.1%	6,296	6.4%
1939 or earlier	5,938	4.9%	7,038	7.1%
<b>Total</b>	120,683	100.0%	99,133	100.0%

	St. Petersburg		Richmond	
	Number	Percent of Total	Number	Percent of Total
<b>Year Structure Built</b>				
1999 to March 2000	660	0.5%	284	0.3%
1995 to 1998	2,254	1.8%	1,042	1.1%
1990 to 1994	3,697	3.0%	1,875	2.0%
1980 to 1989	13,088	10.5%	6,769	7.3%
1970 to 1979	25,152	20.2%	13,151	14.3%
1960 to 1969	24,822	19.9%	14,566	15.8%
1950 to 1959	32,606	26.2%	16,403	17.8%
1940 to 1949	9,493	7.6%	12,063	13.1%
1939 or earlier	12,753	10.2%	26,129	28.3%
<b>Total</b>	124,525	100.0%	92,282	100.0%

Sources: US Census, 2000; Bay Area Economics, 2007.

**Table B-4: Units in Structure, 2000**

<b>Units in Structure</b>	<b>Raleigh</b>		<b>Greensboro</b>	
	<b>Number of Units</b>	<b>Percent of Total</b>	<b>Number of Units</b>	<b>Percent of Total</b>
1-unit detached	56,597	46.9%	54,326	54.8%
1-unit attached	11,052	9.2%	6,002	6.1%
2 to 4 units	13,514	11.2%	9,268	9.3%
5 to 9 units	14,807	12.3%	12,464	12.6%
10 or more units	23,025	19.1%	15,874	16.0%
Mobile home, trailer, or other	1,688	1.4%	1,199	1.2%
<b>Total Units</b>	120,683	100.0%	99,133	100.0%

<b>Units in Structure</b>	<b>St. Petersburg</b>		<b>Richmond</b>	
	<b>Number of Units</b>	<b>Percent of Total</b>	<b>Number of Units</b>	<b>Percent of Total</b>
1-unit detached	72,730	58.4%	44,935	48.7%
1-unit attached	3,292	2.6%	7,771	8.4%
2 to 4 units	9,278	7.5%	13,582	14.7%
5 to 9 units	6,876	5.5%	9,240	10.0%
10 or more units	28,086	22.6%	16,064	17.4%
Mobile home, trailer, or other	4,263	3.4%	690	0.7%
<b>Total Units</b>	124,525	100.0%	92,282	100.0%

Sources: US Census, 2000; Bay Area Economics, 2007.

**Table B-5: Annual Building Permits Issued by Jurisdiction by Number of Units**

Year	Raleigh				Greensboro			
	Type of Structure			Total Units	Type of Structure			Total Units
	Single Family	2 to 4 Units	5 + Units		Single Family	2 to 4 Units	5 + Units	
1995	1,777	2	1,190	2,969	852	44	310	1,206
1996	2,239	70	1,259	3,568	983	8	757	1,748
1997	2,432	36	755	3,223	1,127	15	726	1,868
1998	2,929	48	1,158	4,135	1,132	13	948	2,093
1999	3,417	14	2,353	5,784	1,088	17	916	2,021
2000	3,140	20	3,484	6,644	1,015	4	205	1,224
2001	3,648	86	2,579	6,313	1,349	6	952	2,307
2002	3,807	257	312	4,376	1,339	16	889	2,244
2003	3,785	244	1,605	5,634	1,325	33	298	1,656
2004	4,707	103	1,484	6,294	1,679	65	532	2,276
2005	4,410	90	169	4,669	1,867	20	367	2,254
2006 (a)	3,230	66	2,335	5,631	1,548	78	1,384	3,010
Annual Avg. '95-'00	2,656	32	1,700	4,387	1,033	17	644	1,693
Annual Avg. '01-'06	3,931	141	1,414	5,486	1,518	36	737	2,291

  

Year	St. Petersburg				Richmond			
	Type of Structure			Total Units	Type of Structure			Total Units
	Single Family	2 to 4 Units	5 + Units		Single Family	2 to 4 Units	5 + Units	
1995	182	2	112	296	187	9	12	208
1996	130	4	38	172	147	6	236	389
1997	127	34	504	665	134	0	232	366
1998	103	6	317	426	126	0	0	126
1999	179	4	517	700	133	0	115	248
2000	211	4	15	230	170	100	0	270
2001	334	84	1,073	1,491	179	5	99	283
2002	291	4	18	313	161	43	312	516
2003	420	4	483	907	279	74	142	495
2004	781	0	256	1,037	319	8	71	398
2005	925	14	321	1,260	525	3	226	754
2006 (a)	463	0	164	627	447	32	214	693
Annual Avg. '95-'00	155	9	251	415	150	19	99	268
Annual Avg. '01-'06	536	18	386	939	318	28	177	523

Notes: (a) Data for 2006 includes permits issued from January through November, 2006.

Sources: State of the Cities Data Systems, U.S. Department of Housing and Urban Development; BAE, 2007.

**Table B-6: Household Income Distribution (a)**

Income Range	Raleigh				Greensboro			
	2000		2005		2000		2005	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Less than \$15,000	13,267	11.8%	19,696	14.2%	13,993	15.2%	16,347	17.5%
\$15,000 - \$24,999	12,758	11.3%	15,632	11.2%	13,154	14.3%	15,067	16.2%
\$25,000 - \$34,999	14,896	13.2%	15,828	11.4%	13,635	14.8%	12,954	13.9%
\$35,000 - \$49,999	19,062	16.9%	20,942	15.1%	16,054	17.4%	13,937	15.0%
\$50,000 - \$74,999	23,007	20.4%	24,125	17.4%	17,254	18.7%	16,181	17.4%
\$75,000 - \$99,999	13,262	11.8%	16,538	11.9%	7,674	8.3%	7,992	8.6%
\$100,000 - \$149,999	10,843	9.6%	17,166	12.4%	5,967	6.5%	5,921	6.4%
\$150,000 or more	5,632	5.0%	9,054	6.5%	4,353	4.7%	4,822	5.2%
Total Households	112,727	100.0%	138,981	100.0%	92,084	100.0%	93,221	100.0%
Median Household Income	\$46,612		\$48,131		\$39,661		\$36,733	

  

Income Range	St. Petersburg				Richmond			
	2000		2005		2000		2005	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Less than \$15,000	20,626	18.8%	19,141	17.6%	20,406	24.1%	17,143	20.9%
\$15,000 - \$24,999	17,685	16.1%	15,282	14.0%	13,688	16.2%	12,473	15.2%
\$25,000 - \$34,999	17,032	15.5%	15,761	14.5%	12,197	14.4%	12,193	14.8%
\$35,000 - \$49,999	18,978	17.3%	18,089	16.6%	13,317	15.7%	12,313	15.0%
\$50,000 - \$74,999	18,489	16.9%	17,791	16.4%	12,482	14.8%	14,006	17.0%
\$75,000 - \$99,999	8,458	7.7%	8,923	8.2%	5,465	6.5%	5,029	6.1%
\$100,000 - \$149,999	5,183	4.7%	8,419	7.7%	3,999	4.7%	4,875	5.9%
\$150,000 or more	3,157	2.9%	5,402	5.0%	3,012	3.6%	4,167	5.1%
Total Households	109,608	100.0%	108,808	100.0%	84,566	100.0%	82,199	100.0%
Median Household Income	\$34,597		\$37,947		\$31,121		\$34,396	

Notes: (a) 2000 income data reflects 1999 earnings. 2005 data based on ACS estimates.

Source: U.S. Census, 2000, American Community Survey, 2005 (ACS); Bay Area Economics, 2007.

**Table B-7: Household Income by Tenure, 2000 (a)**

	Owner Households							
	Raleigh		Greensboro		St. Petersburg		Richmond	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Income Range								
Less than \$15,000	2,644	4.6%	3,695	7.6%	9,373	13.4%	4,222	10.8%
\$15,000 - \$24,999	3,348	5.8%	4,674	9.6%	9,249	13.3%	4,261	10.9%
\$25,000 - \$34,999	4,968	8.6%	5,723	11.7%	9,730	14.0%	5,163	13.2%
\$35,000 - \$49,999	9,029	15.6%	8,466	17.4%	12,588	18.1%	6,763	17.3%
\$50,000 - \$74,999	13,799	23.8%	11,180	22.9%	13,972	20.0%	8,411	21.6%
\$75,000 - \$99,999	9,972	17.2%	6,000	12.3%	7,261	10.4%	4,098	10.5%
\$100,000 - \$149,999	9,141	15.8%	5,102	10.5%	4,645	6.7%	3,349	8.6%
\$150,000 or more	5,131	8.8%	3,919	8.0%	2,879	4.1%	2,743	7.0%
Total	58,032	100.0%	48,759	100.0%	69,697	100.0%	39,010	100.0%
Median Owner Household Income	\$66,354		\$54,073		\$42,741		\$47,995	
	Renter Households							
	Raleigh		Greensboro		St. Petersburg		Richmond	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Income Range								
Less than \$15,000	10,593	19.4%	10,355	23.8%	11,242	28.2%	16,338	35.9%
\$15,000 - \$24,999	9,420	17.3%	8,500	19.6%	8,380	21.0%	9,460	20.8%
\$25,000 - \$34,999	9,941	18.2%	7,898	18.2%	7,216	18.1%	7,133	15.7%
\$35,000 - \$49,999	10,033	18.4%	7,581	17.4%	6,375	16.0%	6,456	14.2%
\$50,000 - \$74,999	9,182	16.8%	5,966	13.7%	4,466	11.2%	3,997	8.8%
\$75,000 - \$99,999	3,208	5.9%	1,773	4.1%	1,230	3.1%	1,325	2.9%
\$100,000 - \$149,999	1,660	3.0%	953	2.2%	580	1.5%	560	1.2%
\$150,000 or more	488	0.9%	436	1.0%	333	0.8%	270	0.6%
Total	54,525	100.0%	43,462	100.0%	39,822	100.0%	45,539	100.0%
Median Renter Household Income	\$32,293		\$30,462		\$25,400		\$21,649	

Notes: (a) 2000 income data reflects 1999 earnings.  
Source: U.S. Census, 2000; Bay Area Economics, 2007.

**Table B-8: Monthly Gross Rent, 2005**

	<b>Raleigh</b>		<b>Greensboro</b>	
	<b>Number</b>	<b>Percent of Total</b>	<b>Number</b>	<b>Percent of Total</b>
<b>No cash rent</b>	2,955	4.6%	2,077	4.7%
<b>Monthly Cash Rent Paid</b>				
Less than \$200	1,412	2.2%	795	1.8%
\$200 to \$299	588	0.9%	753	1.7%
\$300 to \$499	3,168	4.9%	5,977	13.6%
\$500 to \$749	25,567	39.8%	21,266	48.2%
\$750 to \$999	20,081	31.3%	10,255	23.3%
\$1,000 to \$1,499	8,917	13.9%	2,188	5.0%
\$1,500 or more	1,570	2.4%	782	1.8%
Households paying cash rent	61,303	95.4%	42,016	95.3%
<b>Total Renter Households</b>	64,258	100%	44,093	100%
<b>Median Gross Rent</b>	\$749		\$665	

  

	<b>Richmond</b>		<b>St. Petersburg</b>	
	<b>Number</b>	<b>Percent of Total</b>	<b>Number</b>	<b>Percent of Total</b>
<b>No cash rent</b>	1,092	1.7%	361	0.8%
<b>Monthly Cash Rent Paid</b>				
Less than \$200	3,098	4.8%	361	0.8%
\$200 to \$299	1,535	2.4%	895	2.0%
\$300 to \$499	4,265	6.6%	4,774	10.8%
\$500 to \$749	16,504	25.7%	15,737	35.7%
\$750 to \$999	10,494	16.3%	10,229	23.2%
\$1,000 to \$1,499	6,694	10.4%	5,590	12.7%
\$1,500 or more	1,223	1.9%	1,267	2.9%
Households paying cash rent	43,813	68.2%	38,853	88.1%
<b>Total Renter Households</b>	44,905	100%	39,214	100%
<b>Median Contract Rent</b>	\$697		\$714	

Source: American Community Survey, 2005, U.S. Census Bureau; Bay Area Economics, 2007.

**Table B-9: Gross Rent by Percent of Household Income, 2005**

	Raleigh		Greensboro	
	Number	Percent of Total	Number	Percent of Total
Less than 15.0 percent	8,879	13.8%	3,734	8.5%
15.0 to 19.9 percent	7,755	12.1%	4,948	11.2%
20.0 to 24.9 percent	7,601	11.8%	4,304	9.8%
25.0 to 29.9 percent	6,605	10.3%	5,724	13.0%
30.0 to 34.9 percent	3,827	6.0%	4,327	9.8%
35.0 percent or more	24,770	38.5%	18,478	41.9%
Not computed	4,821	7.5%	2,578	5.8%
Total Renter Households	64,258	100.0%	44,093	100.0%

  

	Richmond		St. Petersburg	
	Number	Percent of Total	Number	Percent of Total
Less than 15.0 percent	4,055	9.0%	3,518	8.8%
15.0 to 19.9 percent	4,113	9.2%	4,440	11.1%
20.0 to 24.9 percent	5,175	11.5%	4,454	11.1%
25.0 to 29.9 percent	7,311	16.3%	4,467	11.2%
30.0 to 34.9 percent	4,574	10.2%	4,553	11.4%
35.0 percent or more	17,584	39.2%	17,126	42.8%
Not computed	2,093	4.7%	1,414	3.5%
Total Renter Households	44,905	100.0%	39,972	100.0%

Source: American Community Survey, 2005, U.S. Census Bureau; Bay Area Economics, 2007.